

THE ROLE OF INTERNATIONAL PROFESSIONALS IN FIRM INTERNATIONALIZATION

A Case Study of Finnish SMEs

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Objectives

This study aims to explore the potential connections between international workforce diversity and firm internationalization, and to find out whether causal cause and effect relations occur between the two. The current research seems to be focused on the relationship between international workforce diversity and firm internationalization from a one-sided viewpoint merely highlighting the potential positive effect that international professionals can have on firm internationalization. Yet, in order to achieve a holistic understanding, it is important to investigate the potential reversed connection as well, meaning whether firm internationalization can result in increased employment of international professionals, or higher international workforce diversity.

Methodology

This thesis is based on a multiple case study of selected ten Finnish SMEs. A case study methodology was chosen for the purposes of this thesis since case studies typically aim to arrive in novel research insights. The selected case companies of this study employ somewhat different number of international professionals and have rather different firm internationalization levels, which allowed to draw comparisons between the SMEs. The primary data was collected through semi-structured interviews. The interviews were based on the topics of recruitment and employment of international professionals as well as firm internationalization. Secondary sources were utilized to complement the primary data.

Key Findings

Although the potential effect of firm internationalization on international workforce diversity is vague in the literature, the empirical findings of this thesis give novel insights on the potential connection. Consequently, there seems to be three different internationalization factors that can all lead to the recruitment of international professionals. These factors include planning to enter a specific target market, the actual foreign market entry, and future aim to increase international operations. When it comes to the potential benefits of employing international professionals in firm internationalization, the empirical findings of this study are in line with the literature. Another novel finding of this thesis is that international workforce diversity and firm internationalization seem to be mutually connected to each other. This is because the recruitment and subsequent employment of international professionals can both precede and follow all four firm internationalization phases of (1) planning to enter a foreign market, (2) entering a foreign market, (3) the existing international operations, and (4) future aim to increase international operations. Moreover, the company managers seem to have an essential role in recruiting and leading international professionals as well as in firm internationalization. Certain international managerial features seem to be important in both concepts. However, the characteristics may not suffice alone but the leaders need to be able to enact and turn their international orientation and capabilities into the organization-wide competence to receive and include international professionals as well as to enter and operate in foreign markets, which is yet another important finding of this thesis.

Keywords International Professionals, International Workforce Diversity, Firm Internationalization, SMEs, Finnish SMEs

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Tavoitteet Tämän Pro gradu -tutkielman tavoitteena on selvittää mahdollisia yhteyksiä kansainvälisen työvoiman monimuotoisuuden ja yrityksen kansainvälistymisen välillä sekä tutkia vallitseeko kyseisten konseptien kesken mahdollisia syy-seuraussuhteita. Tähän mennessä tehdyissä tutkimuksissa on keskitytty kansainvälisen työvoiman monimuotoisuuden ja yrityksen kansainvälistymisen väliseen suhteeseen yksipuolisesta näkökulmasta. Kirjallisuus korostaa vain potentiaalisia myönteisiä vaikutuksia, joita kansainvälisellä työvoimalla voi olla yrityksen kansainvälistymiseen. Kokonaisvaltaisen ymmärryksen saavuttamiseksi on kuitenkin tärkeää tutkia myös mahdollista käänteistä yhteyttä, tarkoittaen voiko yrityksen kansainvälistyminen puolestaan johtaa yrityksen kansainvälisen työvoiman monimuotoisuuden kasvuun.

Menetelmät Tämä Pro gradu -tutkielma on kymmenen suomalaisen pk-yrityksen tapaustutkimus. Tämän tutkielman metodologiaksi valittiin tapaustutkimus, koska tapaustutkimukset pyrkivät tyypillisesti saavuttamaan uusia tutkimuslöydöksiä. Tähän tutkimukseen valitut tapausyritykset työllistävät jokseenkin eri määrän kansainvälisiä asiantuntijoita, ja kyseisten yritysten kansainvälistyminen on myös melko eri tasoilla. Tämä mahdollisti vertailun pk-yritysten välillä. Ensisijaiset tiedot kerättiin puolistrukturoiduilla haastatteluilla, joiden aiheet perustuivat kansainvälisten asiantuntijoiden rekrytointiin ja työllistämiseen sekä yritysten kansainvälistymiseen. Toissijaisia lähteitä käytettiin ensisijaisten tietojen täydentämiseksi.

Keskeiset tulokset Vaikka yritysten kansainvälistymisen vaikutus kansainvälisen työvoiman monimuotoisuuteen on kirjallisuudessa hämärä, tämän tutkielman empiiriset tulokset antavat uusia oivalluksia mahdollisesta yhteydestä. Tutkimustulosten pohjalta näyttää olevan kolme eri yrityksen kansainvälistymistekijää, jotka voivat kaikki johtaa kansainvälisten asiantuntijoiden rekrytointiin. Näitä tekijöitä ovat yrityksen suunnitelma astua tietylle kansainväliselle kohdemarkkina-alueelle, todellinen kansainvälisille markkinoille pääsy ja tuleva tavoite lisätä kansainvälistä toimintaa. Mitä tulee kansainvälisten asiantuntijoiden työllistämisen potentiaaliin hyötyihin yrityksen kansainvälistymisessä, tämän tutkimuksen empiiriset tulokset ovat linjassa kirjallisuuden kanssa. Toinen tämän tutkimuksen uusi havainto on se, että kansainvälisen työvoiman monimuotoisuus ja yrityksen kansainvälistyminen näyttävät olevan yhteydessä toisiinsa. Tämä johtuu siitä, että kansainvälisten asiantuntijoiden rekrytointi ja sitä seuraava työllistäminen voivat sekä edeltää että seurata kaikkia neljää yrityksen kansainvälistymisvaihetta, jotka ovat (1) yrityksen suunnitelma astua tietylle kansainväliselle kohdemarkkina-alueelle, (2) kansainvälisille markkinoille pääsy, (3) olemassa oleva kansainvälinen toiminta ja (4) tuleva tavoite lisätä kansainvälistä toimintaa. Lisäksi yritysjohtajat näyttävät olevan keskeisessä roolissa sekä kansainvälisten asiantuntijoiden rekrytoinnissa ja johtamisessa että yrityksen kansainvälistymisessä. Tiedetyt kansainväliset johtamisominaisuudet näyttävät olevan tärkeitä molemmissa konsepteissa. Kyseiset ominaisuudet eivät kuitenkaan välttämättä yksin riitä. Johtajien on osattava soveltaa kansainvälistä orientoitumistaan ja osaamistaan koko organisaation kykyyn vastaanottaa ja integroida kansainvälisiä asiantuntijoita osaksi yritystä sekä sen kykyyn astua kansainvälisille markkinoille ja operoida niillä, mikä on tämän tutkielman kolmas tärkeä havainto.

Avainsanat kansainväliset ammattilaiset, kansainvälisen työvoiman monimuotoisuus, yrityksen kansainvälistyminen, pk-yritykset, suomalaiset pk-yritykset

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1. INTRODUCTION

1.1 Background

Due to the ongoing globalization, our world is becoming ever more international. Limited possibilities in the home countries and increased transnational opportunities abroad have led companies to seek and attain international growth around the world. This can result in increased international business operations and expansion to foreign markets. It is also ever more common for professionals to pursue international careers outside of their home countries. Due to the increased global mobility of people, companies can aim to attract and employ the best talents in the world.

Considering the somewhat isolated and tiny nation of Finland, local companies that have a desire to grow are forced to expand to foreign markets because of the smallness of the domestic one (The Shortcut, 2019). However, a lack of highly-skilled labor in the country restricts the international growth possibilities of Finnish companies (TEM, n.d.). Accordingly, Finnish firms have a demand for skilled professionals who are not available in the local job market (TEM, n.d.). Therefore, it is essential for Finnish corporations to acknowledge that the desired and most talented professionals may not always exist among the home country nationals but comes from abroad instead (Business Finland, n.d.). Consequently, the labor shortage of professional employees could be alleviated by foreign workforce (TEM, n.d.). The enterprises that are receptive to international experts can also benefit from and compete for the best and most competent talent in the world (TEM, n.d.). Indeed, migration of talented labor to Finland can support Finnish businesses in their attempts to grow and become more international (TEM, n.d.).

Subsequently, it actually seems that employing international professionals can potentially facilitate the international business operations of firms. Employment of diverse teams is even considered as a requirement for companies to be competitive and succeed in foreign markets (The Shortcut, 2019). This is because a more diverse pool of employees can find enhanced solutions to the worldwide challenges that international organizations are facing (The Shortcut, 2019). Accordingly, international professionals typically have a good understanding of global trends, superior language skills, knowledge of their own local culture as well as international networks, which can all be beneficial assets for firms,

especially when the aim is to enter foreign markets (TEM, n.d.). Possessing a broad variety of expertise typically leads to higher possibilities to succeed in export locations, which in turn, can result in increased company growth (Business Finland, n.d.). Based on different diversity reports of Finnish firms, the companies seem to have a lack of international diversity within their workforce (FINDIX, 2019; FINDIX 2020). Thus, in order to prosper in the global competition, Finnish enterprises need to attain more cultural knowledge and increased language skills (FINDIX, 2020). In the increasingly globalizing world, international workforce diversity can even become a great divide in the success of Finnish companies (FINDIX, 2019). Different institutes and foundations seem to suggest that international professionals can be beneficial, or even required, in the global business operations and foreign market entries of Finnish firms.

A cross-administrative governmental Talent Boost program was launched by the Finnish Government in 2017 with an aim to boost the immigration of international talents who are advantageous for the internationalization and growth of Finnish firms (TEM, n.d.). Through encouraging the recruitment of international professionals, the Talent Boost program aims to support the internationalization of Finnish companies (Business Finland, n.d.). Consequently, two of the main program objectives are to (1) support the willingness and readiness of Finnish companies to hire international talent, and (2) to drive the internationalization of Finnish firms and organizations with the expertise of international professionals (TEM, n.d.). Based on different non-academic reports, indexes and consultancy articles, the Talent Boost program seems to be convinced of international professionals' positive effect on internationalization and growth of Finnish firms. The aim of this academic study is to examine how the recruitment, and subsequent employment, of international professionals and firm internationalization are connected to each other.

This thesis is part of a joint project between Aalto University School of Business and Business Finland, and it is commissioned by Business Finland. The collaborative project is related to the current Talent Boost program. Besides me, two other master's thesis students are also part of the project. All three theses aim to give academic insights on recruitment, leadership and inclusion of foreign professionals. While my thesis studies the potential connection between international workforce diversity and firm internationalization, Martta Nieminen's (2020) thesis is focused on investigating the preparedness of Finnish firms to

embrace international workforce diversity and inclusion, and Rafael Polanco (2020) compares the diversity assessment tools on a global scale.

1.2 Research Gap and Research Problem

There are a number of reports by practitioners about the potential benefits of employing international professionals in the foreign operations of companies. Both concepts of international workforce diversity and firm internationalization are widely studied individual academic topics as well. A somewhat small number of studies that investigate the potential connection of international workforce diversity on firm internationalization has been conducted from an academic perspective. Hence, this potential relationship needs further support. Furthermore, there are hardly any case studies about the potential relationship in the context of Finnish companies. Moreover, little academic research of the potentially reversed connection between employing international professionals and firm internationalization have been conducted. Due to these reasons, a significant academic research gap exists, which this study aims to fill.

The lack of competent employees is often a significant challenge of and hindrance to the internationalization of companies (Dichtl et al., 1990; Kuivalainen et al., 2010). Hence, in order to obtain the required resources and skills for internationalization, it is probable that companies need to diversify their employee pools (Nummela et al., 2006). According to Mohr and Shoobridge (2011), through heterogeneous foreign knowledge, cultural and language skills as well as international border-crossing networks, an internationally diverse employee pool can reduce barriers to and provide stimuli for the internationalization of companies. Hence, due to their varied and beneficial knowledge of foreign markets, international employees can support companies to enhance their capabilities to sense and assess internationalization opportunities (Mohr & Shoobridge, 2011). Possessing personal experience and experimental knowledge of foreign substances are indeed some of the main ways to diminish uncertainty towards external overseas markets (Andersson & Florén, 2008). When the international employees share the same cultural and linguistic backgrounds with the foreign markets, an internationally diverse workforce can also facilitate the subsequent international operations of foreign market entries through maintaining the valuable international stakeholder relationships (Mohr & Shoobridge, 2011).

Consequently, Mohr and Shoobridge (2011) emphasize the importance of multi-ethnic workforce in firm internationalization, specifically from the viewpoint of SMEs. They suggest that multi-ethnic employees can support companies to utilize the opportunities presented by and deal with the challenges posed by globalization. Another pair of authors, Ely and Thomas (2001), also believe that companies can benefit from culturally diverse workforce when the aim is to seek and attain international business opportunities as well as to gain access to and legitimacy with foreign markets and customers. Hence, it seems that an internationally diverse workforce can indeed have a positive effect on a firm's capabilities to initiate, manage as well as develop international activities (Mohr & Shoobridge, 2011). But could foreign market entry and international business operations in turn also lead to increased employment of international professionals, and hence, to enhanced international workforce diversity?

This study addresses a relevant issue that has significant societal importance. The research problem of this study is two folded. Firstly, in order to further encourage Finnish companies to recruit international professionals, it is important to understand whether this group of experts can indeed have a positive effect on their international operations. Secondly, current research has focused on the relationship between international workforce diversity and firm internationalization from a rather one-sided view, concentrating more on how international workforce supports firms' international operations. Thus, it is important to investigate the potential reversed connection as well, meaning whether companies' foreign market entries and international operations can also result in increased employment of international experts. Investigating these topics is important in order to support Finnish firms in becoming more international and to grow further.

As many as 98 percent of the whole enterprise stock in Finland consists of small and medium-sized enterprises (Statistics Finland, 2017). Hence, as per the former Minister of Justice and Employment, Jari Lindström, SMEs are noteworthy employers in Finland (TEM, 2016). Therefore, it is meaningful to set Finnish SMEs as the specific research context of this study. As said, little research of the relationship between international workforce diversity and firm internationalization in the context of Finnish SMEs exist, which further highlights the research problem of this thesis.

1.3 Research Objective and Research Question

This thesis is based on a multiple case study of selected ten Finnish SMEs. In the light of the research gap and problem explained in the previous section, the aim of this thesis is to explore in what ways international workforce diversity and firm internationalization are connected to each other. Hence, the objective of this thesis is to study the potential connections between international workforce diversity and firm internationalization, and to find out whether causal cause and effect relations occur between the two.

The main objective of this thesis is summarized below:

- Explore in what ways Finnish SMEs' recruitment and employment of international professionals and their international business operations are potentially connected to each other

As a result of the main research objective, the research question of this study is defined as:

- *How are international workforce diversity and firm internationalization connected to each other?*

With an aim to answer to the research question, this study is divided into six different chapters. Each chapter follows the research objective of this thesis with a goal to answer to the key question. This chapter has already worked as the first part of the study through introducing and positioning the research. The second chapter reviews relevant academic literature of firm internationalization and international workforce diversity. The literature review is followed by a methodology chapter regarding the chosen research method of this study. The fourth chapter presents the results of the research. The findings are then discussed in the chapter number five. Finally, the whole thesis is settled with conclusions.

1.4 Key Definitions

Before moving on to the literature review, it is essential to explain and clarify the key definitions and terms that are specific to this study. The main definitions repeated throughout this research include international workforce diversity comprising of international professionals, also referring to internal internationalization in this study, as well as firm

internationalization, which, in this thesis, is also referred to as external internationalization. These terms are explained in more detail below.

International Professional

Increased globalization of companies and higher education of people encourages professionals to internationalize their careers too (Iredale, 2001). Thus, the number of migrants as part of the international and highly educated workforce is increasing (Tharenou & Kulik, 2020). According to TEM (n.d.), an international talent refers to a competent immigrant possessing international expertise and networks. It is irrelevant why the international talent has moved to Finland (TEM, n.d.). Instead, their international competence is what matters (TEM, n.d.). Finnish Immigration Service (n.d.) characterizes an immigrant specialist as a highly skilled foreigner employed as an expert and working with professional assignments that require special know-how. The current academic literature typically uses the terms skilled migrant (O'Connor & Crowley-Henry, 2020), immigrant professional (Fang et al., 2009) and qualified immigrant (Zikic et al., 2010) when talking about a highly skilled international expert with border-crossing career. A highly skilled employee typically refers to a person who has extensive experience in their own area of expertise (Iredale, 2001). Yet, media has reinforced negative connotations on the vocabulary of migration and immigration (Videler, 2017). Therefore, this research does not talk about skilled migrants nor immigrants professionals but utilizes the definition of international professional in the empirical parts of the thesis. In this study, an international professional refers to a skilled employee who is originally not from Finland and possesses wide expertise in their own field. In order to avoid constant repetition, the word 'international' is occasionally replaced by 'foreign' while 'professional' is also referred to as 'expert'.

International Workforce Diversity

Diversity as a word refers to dissimilarity and heterogeneousness. Examples of the opposite nouns are similarity, homogeneousness and uniformity. Even though the broader definition of diversity typically encompasses several different notions such as the differences in gender, age, ethnicity, race, physical abilities and sexual orientation (Robinson & Dechant, 1997), in this research, the concept is specifically focused on international diversity referring to people who are originally from different countries possessing dissimilar nationalities.

When it comes to national diversity, Mohr and Shoobridge (2011) suggest not to use the term ‘cultural’ when analyzing workforce diversity that is based on different nationalities. According to them, it is inappropriate to assume that individuals with the same nationality also share a similar cultural background. Indeed, it cannot be assumed that a certain culture always refers to a specific nation as significant cultural differences can exist within a single country (Mohr & Shoobridge, 2011). Hence, in this study, international workforce diversity refers to the heterogeneousness of a company’s employee pool concerning the employees’ national backgrounds and countries of origin. In the scope of this research, international workforce diversity is occasionally also referred to as internal internationalization.

Firm Internationalization

Firm internationalization typically refers to “*the process of increasing involvement in international operations.*” (Welch & Luostarinen, 1988: 36) Firm internationalization characteristically starts with exporting to international markets, which potentially leads to establishing subsidiaries of sales and production units in the foreign countries (Luostarinen, 1994). Hence, firm internationalization can be described as international expansion of doing business in foreign markets. In this study, the firm internationalization level of a company is measured by the relative international sales percentage of the whole turnover. When it comes to the number entered foreign markets, to be regarded as an international company in this paper, it is only relevant that the business has expanded to at least one external market outside of the home country. In this research, firm internationalization is also occasionally referred to as external internationalization in order to distinguish it from internal internationalization.

2. LITERATURE REVIEW

The aim of this literature review is to establish a preliminary theoretical framework to be used as a basis for the subsequent empirical research. This chapter examines the existing academic research regarding firm internationalization, recruitment and leadership of international professionals as well as the role of international diversity in firm internationalization. In order to answer the research question of this study “*How are*

international workforce diversity and firm internationalization connected to each other?”, the focus is especially on examining the potential relationship between the two key concepts.

The structure of this literature review follows the key concepts of this study. The review starts with defining firm internationalization. Firm internationalization is a widely studied topic with many different viewpoints, and therefore, it is important to define the term in the scope of this study. The firm internationalization section consists of first introducing the concept, which is followed by a discussion on companies' internationalization readiness as well as internationalization of born globals, Finnish firms and SMEs. As some of the case companies of this thesis have not entered any foreign markets yet but are currently on the planning phase, the concept of internationalization readiness needs to be explained. The case companies of this study are all Finnish SMEs, and hence, it is important to look at the internationalization process of SMEs headquartered in Finland. Furthermore, some of the case firms seem to be born globals, which is why theoretical explanations about the internationalization of these types of companies is included as part of the literature review too. An evaluation of the managers' role in firm internationalization incorporating evidence of certain managerial characteristics that can potentially facilitate external internationalization concludes the first section.

The second section reviews academic research regarding recruiting international professionals and leading an internationally diverse workforce since international workforce diversity is the other key concept of this thesis. The importance of managers' role in both hiring and leading international professionals is discussed in the second section as well. The third section aims to answer the research question of this study through investigating how international workforce diversity and firm internationalization are potentially connected to each other. Finally, a preliminary theoretical framework is established based on the existing academic research.

2.1 Defining Firm Internationalization

Firm internationalization is one of the key concepts of this thesis, and thus, it is important to explore current literature of the topic. There are many different definitions of firm internationalization. Luostarinen (1994: 1) defines the term well as “...*a step-by-step process of international business development whereby a firm becomes increasingly*

committed to and involved in international business operations through specific products in selected markets.” Agnihotri and Bhattacharya (2019) highlight that due to the growing levels of globalization and global competition, there is a tremendous pressure to successfully increase the international expansion of companies. Consequently, internationalization of SMEs has become a more popular trend (Kuivalainen et al., 2010).

Firm internationalization is indeed a valuable strategy and one of the key features for the expansion and growth of companies (Hamidizadeh & Zargaranyazd, 2014; Servais & Decker, 2014). Andersson and Florén (2008) underline that firms that are internationally active typically grow in a faster pace compared to purely domestic ones. Hence, rather than a competitive advantage, international expansion is nowadays actually an economic necessity for many firms (Rivas, 2012). Therefore, in order to successfully thrive in the multifaceted global business environment of today, it seems that organizations need to have capabilities to utilize international opportunities (Tihanyi et al., 2000; Rivas, 2012). The literature seems to emphasize the popularity of firm internationalization during the recent years. Due to new opportunities brought up by expanded globalization, it is somewhat natural that companies have started to look outside of their home countries’ borders to an increasing extent.

Besides providing growth opportunities, firm internationalization is a multifaceted phenomenon (Miller et al., 2016) leading to increased complexity (Lindbergh, 2005). Tihanyi et al. (2000) indeed underline that in addition to significant benefits, firm internationalization is characterized as a complex strategic decision with risks and increased level of uncertainty. Maitland and Sammartino (2015) on the other hand state that internationalization is complicated by ambiguous information while Geringer et al. (1989) justifiably highlight that managing an international company is a more challenging job compared to leading a firm that has business activities in one country only. Consequently, entering foreign markets, especially at a firm growth stage, is typically one of the most challenging but important tasks that companies face (Tihanyi et al., 2000). According to the literature, firm internationalization definitely does not seem to be an easy assignment, which is why Kuivalainen et al. (2010) reasonably state that special skills, resources and capabilities are certainly required when operating in competitive foreign markets.

As per Özturgut (2017), integrating cross-culturalism and internationality into all facets and functions of an organization are the ultimate attributes of firm internationalization. Somewhat self-evidently, Lindbergh (2005) states that companies that are conducting international business inevitably have to transact with countries that are dissimilar to their home markets since publicly acceptable business practices, norms and values differ from country to country. The Swedish author's study is focused on the development of institutional knowledge in an internationalizing company. One of Lindbergh's findings is that although operating in multiple markets is a more multifaceted challenge, the experiences gained from the foreign markets lead to increased competence in overseas environments. Maitland and Sammartino (2015) continue to support the long established observation in international business research through stating that internationalizing firms will predictably first and more successfully venture to closer and more familiar foreign markets (e.g. Luostarinen, 1979). The underlining reason for that could be based on reduced physic distance. Consequently, Lindbergh (2005) underlines that companies with prior international business knowledge are more likely to establish business relations in more distant locations. That seems to be aligned with the competence acquired from prior foreign operations.

A number of studies about internal as well as external internationalization have Anglo Saxon origins. Because this thesis focuses on researching Finnish SMEs, going through literature from the Nordic countries too is relevant in order to acquire a more holistic view of the topic. Consequently, Servais et al. (2008) have studied the internationalization of Danish SMEs. According to the authors, traditionally, a firm internationalization process starts with first building a stable position in the home country after which the company starts to slowly engage in international activities. Similarly, Madsen and Servais (1997) suggest that companies often internationalize gradually aiming to gain market knowledge with a slow progress. This enables them to reduce risks and uncertainty over time concerning each foreign market (Madsen & Servais, 1997). As many studies highlight the complexity of firm internationalization, the reasoning of Madsen and Servais (1997) is somewhat comprehensible. However, firm internationalization is not necessarily a linear, unidirectional nor incremental trail (Bell et al., 2001). Bell et al. (2001) highlight that companies can for example be domestically focused for several years and then internationalize very rapidly, or conversely, previously internationally focused firms might decide to de-internationalize and start to focus on their domestic market only.

Consequently, the concept of internationalization readiness refers to analyzing the preparedness and propensity of a company to initiate internationalization, which is the key research interest of Tan et al. (2005). Because some of the case companies of this thesis have not entered any foreign markets yet but are currently on the planning phase, internationalization readiness is a central topic in this study. Accordingly, Tan et al. (2005) highlight that achieving a sufficient level of internationalization readiness is the first step on the way of becoming an international firm. Yet, the authors point out that companies can start to internationalize before reaching the internationalization readiness as well as decide not to internationalize despite being ready to do it. Thus, in addition to the internationalization readiness, the decision to internationalize is also influenced by the willingness of the company to commit its resources abroad (Tan et al., 2005).

Although Rivas (2012) states that international expansion has become an essential requirement for many companies, the said notion of Tan et al. (2005) seems rather obvious as willingness can increase the likelihood of entering and operating in foreign markets. Willingness typically leads to increased interest, which, on the other hand, can result in higher motivation to succeed. Consequently, Tan et al. (2005) posit that a company that starts to export only once its level of internationalization readiness is high, has greater possibilities to achieve long-term success abroad compared to a corporation that starts activities in foreign markets already with a low level of internationalization readiness. This seems to be aligned with the willingness notion as well. However, although the reasonings seem rather sound, they are somewhat different from the conception of Bell et al. (2001) who state that firm internationalization is inevitably not a definite and straightforward path. Indeed, for example born globals do not follow the typical firm internationalization process described by Luostarinen (1994).

2.1.1 Internationalization of Born Globals

The so-called 'born global' firms challenge the traditional firm internationalization models (Madsen & Servais, 1997). Some of the case companies of this thesis seem to be born globals, which is why it is important to describe the characteristics of them. Furthermore, the number of emerging born globals is increasing in the world (Knight et al., 2004), and thus, it is important to take these companies into account when studying firm internationalization overall. Madsen and Servais (1997) have researched the internationalization of born globals, and according to them, these companies implement an

international, or sometimes even global, strategy at a very early stage after their establishment or even right from their foundation. Similarly, Knight et al. (2004) highlight that a distinctive characteristic of born globals is that they have an international origin and are committed to international activities. Born globals are characterized by a relatively borderless view of the whole world, and they consider foreign markets to be as important as the domestic ones (Knight et al., 2004). Accordingly, Madsen and Servais (1997) point out that firm internationalization does not necessarily have to begin from engaging in a primarily domestic network.

It seems that the company managers typically have an important role in the development of born global firms. Madsen and Servais (1997) indeed emphasize that the backgrounds and characteristics of the born global founders may have a significant influence on the development and commencement of an internationalization strategy. Consequently, the authors highlight that different extensive international experiences, such as having lived abroad and internationally oriented tasks at work, stimulate the mindset of born global managers, which can result in a stronger motivation and ambition to establish a born global. Similarly, Knight et al. (2004) underline that the managers of these companies have a strong international orientation and they consider the whole world as a potential marketplace. The same is stressed by Madsen and Servais (1997) as well who state that typical born global managers do not identify their native country as the core location in the world, which decreases their psychic distance to foreign markets. Thus, instead of perceiving national borders as obstacles, these managers see foreign markets as open business opportunities (Madsen & Servais, 1997). These reasonings seem to refer closely to possessing a world-oriented mentality as a result of not associating superiority with certain nationality but having a world-wide attitude, or a geocentric orientation, instead (Perlmutter, 1969).

Furthermore, the study of Ahmed and Brennan (2019) is focused on examining the performance determinants of early internationalizing companies, and according to them, the level of international entrepreneurial orientation of a company manager is one of the main requirements for successful international performance of a born global. Thus, they also seem to emphasize the important role of managers in born global companies. The authors highlight that the propensity to take risks and level of proactivity are essential managerial capabilities and form part of the international entrepreneurial orientation. Because of the increased challenges of internationalization, a risk taking ability is probably indeed important for

company managers of internationalizing firms overall. The emphasis is probably even more significant if foreign markets are entered prior to being knowledgeable of the domestic market alone, which is the case of born global companies. Indeed, Hutchinson et al. (2006) emphasize that successful firm internationalization and international decision-making requires managers who have a positive attitude towards risk. They highlight that being able to take risks is particularly important in the early overseas expansion (Hutchinson et al., 2006). Thus, Svård's (1982) notion that top managers of internationalizing firms need to develop their skills in recognizing the opportunities and risks of international operations seems realistic.

2.1.2 Internationalization of Finnish Firms and SMEs

Because this thesis is focused on studying the internationalization of Finnish small and medium-sized enterprises (SMEs), it is important to go through relevant literature regarding the internationalization of SMEs and Finnish companies. Reuber and Fischer (1997) as well as Saeed and Ziaulhaq (2019) have all studied the internationalization of SMEs. The former state that compared to bigger companies, smaller firms tend to be disadvantaged in international expansion while the latter highlight that they also face bigger challenges in accessing foreign markets. Indeed, SMEs typically have scarce or even non-existent resources, skills and capabilities to facilitate internationalization and to develop their foreign business operations (Kuivalainen et al., 2010; Ivarsson & Alvstam, 2013).

Luostarinen (1994) has researched the firm internationalization of Finnish companies, and hence, the author's study is highly relevant to me. Although his study is somewhat old, it seems to be one of the classic articles being still referred to in firm internationalization studies of today. Luostarinen (1994) states that business managers tend to behave in a particular manner when it comes to decision-making. The author explains that executives are typically willing to repeat successful activities from the past but they tend to hesitate to enter into anything that is outside of their current know-how and earlier experience (Luostarinen, 1994). Hence, as strategic decision-makers, directors are inclined to be forwardly elastic in doing likewise what has been done earlier but they are generally laterally rigid in going to new directions and facing changes and challenges that they are unfamiliar with and feel uncertain about (Luostarinen, 1994). Thus, the rigidity refers to the inability to change and restructure one's sentiment and notion in a situation when the circumstances would require a change (Rokeach, 1948). It can also be explained as an incompetence to

choose alternative solutions that would solve a certain problem or challenge in a more efficient way (Rokeach, 1948). Consequently, Luostarinen (1994) seems to share the said notions of Kuivalainen et al. (2010) as well as Ivarsson and Alvstam (2013) since the author states that SMEs tend to have more limited resources and knowledge, which usually leads to a higher degree of lateral rigidity regarding firm internationalization.

Svärd (1982) has researched Finnish internationalizing industrial firms. The author highlights that the smallness of markets in Finland limits the domestic growth of Finnish companies, and hence, internationalization is a significant and often the only option to secure the growth of these enterprises. Yet, Tesar and Vincze (2017) underline that since Northern European SMEs are typically located in remote and small areas with limited resources, internationalizing to foreign markets is even more challenging for them. These firms are typically locally oriented, which can prevent them from looking for opportunities beyond their perceived boundaries (Tesar & Vincze, 2017). However, as per Svärd (1982), remaining only in the domestic market does not allow the Finnish firms to grow. Hence, it seems that although internationalization can be even more challenging for Finnish SMEs due to the location of Finland and limited resources of smaller firms, internationalizing might be necessary for them if the companies' aim is to seek further growth. However, it is reasonable to believe that Finnish companies' internationalization is nowadays facilitated by the country's EU membership, which was not the case during the earlier studies, such as that of Svärd's. Hence, it is perhaps worth to consider the differences between Finnish firms expanding to Nordic, EU versus non-EU countries.

Nevertheless, the arguments concerning SMEs being disadvantaged in expanding overseas due to their lack of essential resources can be challenged (Reuber & Fischer, 1997). Accordingly, Reuber and Fischer (1997) state that the size of a company is actually not the factor that would determine the capacity of the firm to internationalize or account for its degree of internationalization. The authors explain that company size is more easy to measure and is regarded as a substitute for the required internationalization resources. Luostarinen (1994) also highlights that for example organizational learning and increased knowledge can facilitate in reducing lateral rigidity, which can lead companies to gradually expand to new strategic opportunities, such as that of firm internationalization. Likewise, Lindstrand (2003) underlines that possessing necessary knowledge is a crucial factor and one of the most competitive capabilities of an internationalizing company. Establishing new

business relations with other international firms can also help to reduce the liability of foreignness that international companies might face abroad (Ivarsson & Alvstam, 2013). The liability of foreignness refers to the extra costs of operating in a foreign market, and these costs do not apply to the local companies (Hymer, 1976 & Kindleberger, 1969 cited in Zaheer, 1995: 342). The costs of liability of foreignness can originate from (1) a firm's inexperience and unfamiliarity of the foreign environment, (2) physic distance referring to transportation, travel and management costs stemming from time zone and distance differences, (3) the host country's acceptability of foreign businesses due to nationalism, and (4) the home country's restrictions on importing (Zaheer, 1995).

Consequently, Servais and Decker (2014), who have studied the required resources in the internationalization process, underline that in order to overcome the limited base of resources, it is important for SMEs to develop social capital, for example in the form of beneficial international networks. The authors emphasize that failure to construct valuable social capital can lead to constrained firm internationalization growth. Similarly, Saeed and Ziaulhaq (2019) highlight that smaller firms are inclined to be more dependent on the networks of the CEOs in order to enter overseas markets. Networks are indeed essential resources due to their valuable knowledge, which a company can potentially benefit from when developing its international business (Lindstrand, 2003). Ivarsson and Alvstam (2013) highlight that companies can utilize their current networks to recognize novel business opportunities in foreign markets while Lindstrand (2003) underlines that firms can also benefit from their networks when evaluating the potential of a foreign expansion (Lindstrand, 2003).

Moreover, Tesar and Vincze (2017) stress that to increase international capabilities of Northern European SMEs that aim to enter foreign markets, innovativeness and international managerial skills are highlighted even more. Indeed, coming up with creative ideas is a feature of an export initiator who is likely to expand firm internationalization further (Simmonds & Smith, 1968; Dichtl et al., 1984). Hence, it seems that with the help of the required knowledge, international networks, innovativeness and international managerial skills, Finnish SMEs can potentially overcome the increased challenges of firm internationalization resulting from their location and smaller company size. The next section will specifically focus on the role of leaders and their international managerial skills in firm internationalization.

2.1.3 The Role of Leaders in Firm Internationalization

Even though some studies questionably argue that there are no significant relationships between managerial capabilities and the degree of internationalization (Kuivalainen et al., 2010), a substantial number of academic articles underline the positive connection between certain leadership characteristics and firm internationalization (Nummela et al., 2004). The essential role of the managers in firm internationalization is indeed widely discussed in the literature. Since top managers and CEOs as the final decision makers have the power to choose the direction of their firms, they indeed have a significant impact on where their organizations stand today and where they are going tomorrow, or on the degree of internationalization. Sambharya (1996) confirms that leaders do have a significant influence on the future direction of their companies. Consequently, Svärd (1982) emphasizes that companies that aim to internationalize need to be led by top managers who have a desire to internationalize and who possess a mindset of moving from domestic to international. This provides a justification for why it is relevant to include a discussion of managerial attitudes as part of this literature review.

It was proven already in the 80's that the decision makers of a company have significant effect on the determinants of export motivation and success (Dichtl et al., 1984). A recent study of Saeed and Ziaulhaq (2019) also underlines that the CEO characteristics and firm internationalization seem to be strongly related to each other. Hence, several studies emphasize the pivotal role of managers and their motives in firm internationalization (Hutchinson et al., 2006; Nummela et al., 2006; Belniak, 2015). Svärd (1982) justifiably highlights that it is not adequate that a company has strong skills in product development and manufacturing but does not have the readiness and transferable skills to utilize them. Furthermore, due to less constrained and hierarchical organizational structure, the CEOs of smaller firms have more control and decision-making power compared to managers of bigger companies (Saeed & Ziaulhaq, 2019). Therefore, Saeed and Ziaulhaq (2019) highlight that the CEOs of SMEs have even stronger role in the strategic decision-making of their companies. Consequently, in order to achieve successful firm internationalization, developing international managers is required (Svärd, 1982). Kobrin (1994) highlights that the ways how the company managers perceive and view the world play a significant role in the firm's abilities to become international and to compete globally. International orientation, experience and commitment, for example, are important characteristics of the

managers in an international company, and they are especially crucial in firm internationalization (Bell et al., 2001).

The following sections will introduce the concepts of supra-nationalist outlook, cosmopolitanism and global mindset as important features of an internationalizing company manager. The concepts are all somewhat similar to each other with overlapping characteristics. The table below presents a summary of the concepts' key features, which hopefully helps the reader to better understand them.

Table 1 Features of a Supra-nationalist Outlook, Cosmopolitanism and Global Mindset

Supra-nationalist Outlook	Cosmopolitanism	Global Mindset
<ul style="list-style-type: none"> • Being indifferent of business' national boundaries • Perceiving customers as customers regardless of their home country • Not distinguishing nationalistic differences between foreign and home 	<ul style="list-style-type: none"> • Aspiring to become a world's citizen • Cultivating globalization and tempering nationalism • Disbelieving in matters that are heavily connected to patriotism 	<ul style="list-style-type: none"> • Having an international vision, being committed to internationalization and proactive on international markets • Appreciating the entire world as a single big marketplace

(Simmonds & Smith, 1968; Nummela et al., 2004; Petriglieri, 2016)

Top managers of an internationalizing firm need to develop favorable, positive and optimistic attitudes towards internationalization and foreign countries (Svård, 1982; Dichtl et al., 1984). The subjective managerial characteristic of having an international vision towards foreign expansion has a positive effect on the international decision-making, particularly regarding the initial overseas expansion and the pace of entering foreign markets (Hutchinson et al., 2006). Hence, Dichtl et al. (1984) highlight that international and foreign orientation of the decision maker are essential in the process of firm internationalization because they are one of the key characteristics of internationalization incentives. According to Hamidizadeh and Zargaranyazd (2014), managers' willingness and commitment to internationalization, or appreciation towards internationality, are substantial principles when determining the firms' internationalization readiness as well. Therefore, it indeed seems that a company manager's international orientation as well as their ability to turn it into a company-wide value have positive effects on firm internationalization.

Consequently, Simmonds and Smith (1968) found that individuals who are not particularly loyal to their home country are more prone to start expanding overseas. Hence, according to them, a significant feature of an export inclined person is being indifferent of national boundaries regarding business and customers. This is also a characteristic of a so-called supra-nationalist outlook (Simmonds & Smith, 1968). The authors underline that the mentality of perceiving customers as customers regardless of their home country, and thus not distinguishing nationalistic differences between foreign and home is typical for a supra-nationalistic export initiator. Moreover, another feature of export initiators who are most likely to be innovative and expand further is having a cosmopolite background (Simmonds & Smith, 1968). Cosmopolitanism refers to “*the aspiration to become a citizen of the world...*” (Petriglieri, 2016: 2). Consequently, cosmopolitan individuals cultivate globalization and, on the contrary, tend to temper nationalism and disbelief matters that are heavily connected to patriotism (Petriglieri, 2016). Cosmopolitanism seems to share similarities with the supra-nationalist outlook that perceives national boundaries with irrelevance.

Another important managerial feature that has an influence on international firm performance and the overall internationalization of a company is the so-called global mindset (Nummela et al., 2004). According to Nummela et al. (2004), a global mindset refers to having an international vision, being committed to internationalization and proactive on international markets. Felício et al. (2012) highlight that the mindset also refers to possessing a strong international orientation towards foreign markets through significant willingness to conduct business abroad and leverage international opportunities. A global mindset can be described as the appreciation of the entire world as a single big marketplace (Nummela et al., 2004). As per Nummela et al. (2004), a global mindset seems to be a substantial antecedent of a company's international performance on foreign markets. The mindset has a critical role in exploring international business opportunities as well as in overall worldwide success of international companies (Felício et al., 2012). Consequently, Lee and Park (2006) suggest international firms to develop their top managers with diverse global mindsets.

Besides the international orientation highlighted above, there seems to be a positive connection between internationally experienced company managers and firm internationalization as well. Kuivalainen et al. (2010) explore Finnish SMEs' internationalization process through specifically examining the impact of organizational capabilities on firm internationalization performance. Although they justifiably state that international experience is a noteworthy determinant of and has a positive effect on firm internationalization and international performance, the authors argue that the level of international experience does not notably seem to improve the international capabilities of individuals. This can be challenged on the ground that in general, the skills and capabilities tend to increase with the experience level accordingly. Consequently, Madsen and Servais (1997) underline that international experiences can indeed lead to increased intercultural competence while Chen et al. (2017) highlight that international experiences of the directors have a positive effect on firm internationalization.

Foreign companies typically face the so-called liability of foreignness and outsidership in unfamiliar markets (Ivarsson and Alvstam, 2013). Maitland and Sammartino (2015) who have studied the managerial cognition in firm internationalization highlight that international knowledge can be one of the most applicable features when assessing the so-called liability of foreignness. Hence, they give support to the acquisition of knowledge as an important driver of internationalization, which was already suggested by Johanson and Vahlne in 1977. The said knowledge refers to experiences acquired from different countries (Maitland & Sammartino, 2015). Accordingly, Athanassiou and Nigh (2002) have assessed the impact of top managers' international business experience on firm internationalization, and they underline that in the increasingly globalizing world, it is important for company managers to gain international business experiences during their careers. Indeed, possessing personal experience and experimental knowledge of overseas matters are some of the main ways to diminish uncertainty towards foreign markets (Luostarinen 1994; Andersson & Florén, 2008). Consequently, Lindbergh (2005) underlines that managerial experience from markets abroad facilitates the development of professional competence to handle transnational business relations and conduct business in foreign environments. Likewise, many of the firm internationalization knowledge, skills and attitudinal requirements develop via gaining international experience (Svård, 1982). Hence, as per several different authors, prominent

international experience overseas is an important managerial motive, incentive and success factor to plausible firm internationalization and foreign expansion (Dichtl et al., 1984; Reuber & Fischer, 1997; Hutchinson et al., 2006).

Thus, Athanassiou and Nigh (2002) even emphasize that the more international business experiences company managers have had during their careers, the more extensively internationalized their firms tend to be. Therefore, Sambharya (1996) suggests that giving more power to internationally experienced managers is one of the ways how companies can respond to global competition. Some organizations even have a policy that in order to be promoted to the top management team, a manager must have experience of important international assignments (Sambharya, 1996). International business experiences can be acquired for example via international assignments through living and working abroad (Athanassiou & Nigh, 2002; Hutchinson et al., 2006) or from duties with direct international responsibilities at the home office (Athanassiou & Nigh, 2002). The former probably results in a more comprehensive international experience since living in a foreign country typically leads to a more extensive foreign exposure. All in all, managers with diverse international experiences seem to have a positive effect on their companies' external internationalization.

Furthermore, quite self-evidently, Svärd (1982) highlights that companies that aim to internationalize need to be led by top managers who understand the culture as well as the economic and political conditions of the host countries. Hence, since managers of internationally diversifying companies have to cope with foreign cultures as well as more complex and unknown environments (Sambharya, 1996), possessing the ability to adjust to foreign cultures and circumstances as well as knowledge of different countries is important for them (Svärd, 1982). Likewise, Heidelberg (2005) discusses the connections of cultural diversity and globalization, and the author underlines that in order to achieve successful international development, expanding to new foreign markets also requires for aligning local customs, cultural principles and organizational differences with the current company, its culture and goals. The author points out that a number of company managers of today are aware of, or at least have the possibilities to easily familiarize themselves with, the business customs of other foreign countries. However, although the so-called surface knowledge might be enough for agreeing on a business deal, deeper delving into understanding cultural differences is required when entering global operations (Heidelberg, 2005). Accordingly, one cannot simply assume and expect that the management principles that work at the home

country would work the same way in a dissimilar culture (Heidelberger, 2005). Indeed, the differences between countries' cultures and policies are one of the main reasons why firm internationalization is characterized as increased complexity compared to operating only domestically. Hence, Heidelberger (2005) emphasizes that it is crucial that global managers have the ability to determine which inherent and profound values are really important in a specific target market's culture.

Last but not least, foreign language proficiency is an important managerial characteristic that can contribute to firm internationalization (Dichtl et al., 1984). Hurmerinta et al. (2015) have studied the role of language in recognizing and leveraging international opportunities. The authors highlight that language skills of the decision-makers are related to international opportunity recognition and utilization in the countries where the language is spoken. Hence, they emphasize that language skills can open new doors and lead towards international expansion to markets that share the same language. Consequently, Sui et al. (2015) recommends managers to actively improve their language skills and cultural knowledge according to the most promising overseas markets. Still, especially without adequate international experience and cultural knowledge, language diversity does not solely provide managers competence to enter foreign markets (Hurmerinta et al., 2015), which further highlights the importance of international experiences and cultural awareness of the leaders.

Furthermore, language proficiency might lead to a so-called knowledge corridor that can support or prevent executives from perceiving international opportunities (Hurmerinta et al., 2015). Accordingly, Sui et al. (2015) explain that through avoiding certain linguistically mismatching foreign markets and embracing linguistically matching countries instead, company owners may try to circumvent the language barriers. However, the development of business English has reduced the significance of the knowledge corridor (Hurmerinta et al., 2015). While the said may be true, the importance of local languages cannot be underestimated since there are still many countries that have not adopted the use of English as the common world language. Not surprisingly, digitalization can also have a negative effect on firm internationalization since operating online might lead to a misconception of diminished language skill and cultural awareness requirements in international business (Hurmerinta et al., 2015). Moreover, Hurmerinta et al. (2015) point out that language proficiency with the matching culture-specific knowledge can in fact also narrow down the number of recognized foreign market opportunities. According to the authors, this can

happen especially if the knowledge corridor leads to linguistic blinds, which means that the decision-maker focuses only on certain markets. The said seems to undermine the authors' message regarding the importance of language proficiency in firm internationalization. If language skills have an essential role in successful firm internationalization, it is worthwhile to focus on opportunity recognition of those countries with which the firm shares the same linguistic capabilities.

According to the current research, managers seem to have an essential role in firm internationalization. The literature specifically highlights international orientation and experiences, cultural awareness and language skills as important managerial characteristics that can facilitate firm internationalization. Because firm internationalization is very closely related to being in contact with different cultures, languages and internationality in general and since managers have an essential role in firm internationalization as the final decision makers, it is somewhat natural that the said features can be beneficial for internationalizing company leaders. Nevertheless, it is rather reasonable to state that in order to benefit from the international orientation and capabilities of the managers, the leaders need to be able to turn those into the organization-wide competence to enter and operate in foreign markets. That notion is however rather vague in the current literature.

2.2 Recruiting and Leading International Professionals

As this thesis focuses on studying the role of international professionals in firm internationalization, it is important to examine current literature regarding the recruitment and leadership of this group of people. Both aspects appear to be essential in order to acquire the potential benefits of international professionals.

2.2.1 Recruitment of International Professionals

Immigrants seem to struggle more in the labor market compared to local candidates although the migrants' challenges are sometimes undermined. Almeida et al. (2015) refer to the controversial human capital theory, which highlights that immigrants have a strong control of their employment possibilities. The theory claims that highly-skilled international experts can somewhat easily get recruited to positions that match their qualifications (Almeida et al., 2015). Thus, the theory states that employers have very limited influencing power regarding the labor market outcomes of professional migrants (Almeida et al., 2015). If the

theory holds true, why are the unemployment percentages of immigrants in general typically higher compared to those of the locals, and why is the phenomenon of migrants' talent underutilization often brought up in discussions then?

Consequently, emphasizing the inadequacy of the said human capital theory, the authors indeed argue that employers can in fact significantly impact the possibilities of talented immigrants to achieve job positions that maximize the utilization of their skills and know-how (Almeida et al., 2015). Accordingly, Almeida et al. (2012) highlight that the centrality of the role that employers have in the recruitment process of professional migrants is largely ignored in the literature even though they can have a significant influence on the labor market entry possibilities of the said group. This might be one of the main reasons why the skills and know-how of professional immigrants often remain underutilized by companies (Almeida et al., 2012). These statements are backed up by other researchers as well. For example Oreopoulos (2011) highlights that recruiters often discriminately treat an applicant's name as well as the countries of education and work experience as signals that the candidate might not have the critical language skills for the position without further proof. Therefore, at least some part of the unemployment differences between immigrants and locals may result from the fact that despite actually being qualified for a job, international candidates do not always even get a chance to be interviewed because of the recruiters' misinterpretations of their competence (Oreopoulos, 2011).

Almeida et al. (2015) introduce the so-called in-group and out-group dynamics that are related to developing and prevailing prejudices. The authors explain that people typically tend to identify themselves with individuals who are similar to them, or their in-group, whereas they do not identify themselves with dissimilar personalities, or their out-group (Almeida et al., 2015). Overidentifying oneself with one's in-group can even lead to antipathy towards the out-group (Almeida et al., 2015). Consequently, the similarity effect concerning the in-group and out-group dynamics may be particularly important in workforce recruitment since candidates possessing similar characteristics with the decision makers can typically be regarded more favorably than those that are dissimilar to the recruiting personnel (Almeida et al., 2015). Hence, the study of Almeida et al. (2015) found that strong accents, non-Anglo names, non-Western outfit and openly presented religious affiliations can influence the decision makers in an unfavorable way regarding immigrant candidates during a recruitment process of Western companies. Thus, despite possessing the relevant

qualifications, job applicants with the aforementioned characteristics typically have decreased chances to be employed for jobs in Western firms (Almeida et al., 2015). These findings seem to be somewhat similar to those of Oreopoulos' research (2011) giving further support to the impact that managers have on the recruitment possibilities of foreigners.

Justifiably, Almeida et al. (2015) suggest that one way how companies could possibly tackle the problem regarding the in-group and out-group dynamics in recruitment is to promote group decision-making. As per the authors, group-decision making is likely to lead to decision outcomes that are based on higher cultural diversity experiences compared to individual policymaking. Moreover, Almeida et al. (2012) state that ethnicity of the clients of a company is an organizational feature that might have a positive influence on the recruitment process of immigrant professionals. Hence, the authors highlight that some companies that have international clients have noticed that they can benefit from migrant professionals who have better inter-cultural understanding when it comes to serving their customers (Almeida et al., 2012). Interestingly, this gives support to the potential positive effect of international professionals on firm internationalization.

A classic article of Perlmutter (1969) introduces principal attitudes of international directors, which influence the success of building a multinational enterprise. One of these states of mind is a home-country oriented, or ethnocentric attitude (Perlmutter, 1965 cited in Perlmutter, 1969: 11). In an ethnocentric company, the main performance criteria for both employees and products are "home-made" (Perlmutter, 1969). A typical ethnocentric attitude presumes that if something works at home, it must also work in other countries (Perlmutter, 1969). Ethnocentric executives possess the attitude of being superior to, more reliable and trustworthy than any foreigner in the head office or affiliates (Perlmutter, 1969). These directors associate their companies with the nationality of the headquarters (Perlmutter, 1969). The ethnocentric orientation is characterized as recruiting and developing home country nationals for key job positions globally, and thus, ethnocentric people typically perceive foreigners as inferior citizens (Perlmutter, 1969). Hence, the ethnocentric attitude seems to share a similar keynote with the in-group and out-group dynamics introduced by Almeida et al. (2015).

According to Perlmutter (1969), a number of ethnocentric managers find it challenging to overcome their national pride, complexes of their cultural superiority, uneasiness with

foreigners in addition to the difficulty of learning new languages. These characteristics seem to be related to the so-called lateral rigidity introduced by Luostarinen (1994) as well. It appears that ethnocentric managers are willing to repeat successful activities from the past, like only recruiting local applicants, but tend to hesitate to enter into anything that is outside of their current know-how and earlier experience, like hiring foreign candidates, which refers to lateral rigidity (Luostarinen, 1994). Consequently, it seems that it can be very challenging for an ethnocentric and laterally rigid company manager to recruit international professionals because of the requirement to overcome uneasiness with foreigners and change the familiar status quo of only employing the company's home country nationals.

Furthermore, the background and cultural diversity exposure of the recruitment decision maker have a significant effect on how professional migrants are evaluated in the recruitment process (Almeida et al., 2015). Similar to ethnocentric managers, policymakers with low level of cultural understanding and low degree of cultural diversity exposure, typically perceive dissimilarity of the potential candidates as unfavorable, which have a negative impact on the recruitment process of international candidates (Almeida et al., 2015). For example poor language skills and discriminatory attitudes of the recruiters have a significant impact on the employment, productivity and earning outcomes of skilled migrants (Almeida et al., 2012). On the contrary, dissimilar attributes of the candidates typically do not have negative impact on the recruitment evaluations of immigrant professionals when the decision maker has high cultural diversity exposure (Almeida et al., 2015). Therefore, the motivation towards international diversity is related to the extent of a manager's worldwide, or global, mindset (Sambharya, 1996).

Consequently, according to Perlmutter (1969), world-oriented, or geocentric, managers do not associate superiority with certain nationality but have a world-wide attitude instead. As per Sambharya (1996), international diversity is indeed one of the indicators associated with a company's level of geocentrism. Perlmutter (1969) emphasizes that the personnel policy of a geocentric firm acknowledges that the best professionals of the world regardless of their nationalities are recruited and developed for the key positions globally. On the contrary, managerial inexperience in foreign markets, cultural and linguistic challenges, patriotic tendencies, resistance to let foreigners have power, anticipated costs and risks of global orientation and the challenge of getting talented foreign professionals to move outside of their home country are some of the main obstacles of becoming a geocentric company

(Perlmutter, 1969). It seems that most of the said challenges are related to the attitudes of company managers, which further highlights the important role that leaders play regarding their firms' internal internationalization. Perlmutter (1969) underlines that if the whole world was built around geocentrism, there would possibly be less wars based on the assumption that it is in nobody's interest to bombard their customers, suppliers nor employees. Thus, *"The attitudes men hold are clearly more relevant than their passports."* (Perlmutter, 1969: 11). Yet, if we were all possessed with a world-oriented attitude, could we then talk about diversity anymore?

2.2.2 Leading an Internationally Diverse Workforce

Once a company has recruited international professionals, the literature reasonably suggests that in order to acquire the potential benefits of employing foreign experts as highlighted by Almeida et al. (2012), it is important to successfully integrate them into the new environment. Zikic (2015) indeed highlights that the better integrated and adapted skilled migrants are to their new host country, the more likely they are to transfer the beneficial and valuable knowledge and skills to the local companies. Robinson and Dechant (1997) underline that sustaining competitive advantage and succeeding in the competition for talent depend on the companies' abilities to optimize essential human resources via attracting, recruiting, developing, retaining and promoting highly-skilled and diverse employees from different groups. Consequently, organizational efforts to successfully and properly understanding, entering and integrating skilled migrants to the local company will enable the migrants to fully utilize their career capital, which allows the local employers to have an opportunity to benefit from the unique know-how of the international professionals as the potential source of competitive advantage (Zikic, 2015). Here, Zikic seems to believe that international professionals can indeed be beneficial for companies.

Besides integration, current research also emphasizes the importance of successfully leading an internationally diverse workforce. Podsiadlowski et al. (2013) have studied why and how companies address, employ and lead cultural diversity. The authors stress that successful management of internationally diverse teams is ever more important for companies due to growing globalization and increased migration. Mihaela (2014) highlights that because of differences between countries, cultures and societies, an international business environment is very dissimilar to that of a local one. Thus, the researcher underlines that the enduring international business growth has led to further challenges and demands concerning the

management of culturally diverse employees (Mihaela, 2014). However, Podsiaclowski et al. (2013) state that while diversity in general is a widely researched topic, the question of how to successfully and comprehensively deal with diversity is not sufficiently studied (Podsiaclowski et al., 2013). Yet, the literature addresses certain managerial features that tend to facilitate successful leadership of an internationally diverse workforce as presented in the following sections.

Similar to the ethnocentric attitude and the in-group and out-group dynamics, different cultures can divide individuals into the mentality of 'us' and 'them' (Heidelberger, 2005). In order to balance between the cultural differences, several studies underline the importance of cultural awareness for an international leader. Through recognizing differences and similarities between leadership styles and cultural dimensions, Mihaela (2014) indeed underlines that cultural understanding is both an asset as well as a must, and it has to be the primary step when the aim of a company is to become more international. Other researchers share the same notion with Mihaela. To lead an enterprise across different cultures, a successful manager has to balance with the national differences and similarities (Mihaela, 2014), and hence, Robinson and Dechant (1997) emphasize that skills related to the knowledge of different cultures is one of the key characteristics of a manager who has international subordinates.

Furthermore, Heidelberger (2005) stresses that successful international leaders understand and value cultural differences as well as leverage cultural diversity in the everyday work at the company instead of putting the diversity against the organizational success. Chrobot-Mason and Leslie (2012) are another pair of authors who highlight that multicultural competence is an important characteristic of a manager who leads an internationally diverse team as it can increase the managerial success. Therefore, similar to external internationalization, it seems that cultural capabilities are one the most important features for a successful leader of a multicultural workforce. Because people typically behave very differently depending on their cultural backgrounds, cultural awareness and understanding as well as taking the differences into account are indeed important for a manager of an internationally diverse workforce.

Day (2007) and Mihaela (2014) both talk about cross-cultural leadership as a successful way of leading a multicultural pool of employees. Hence, they also seem to stress the importance

of cultural awareness. According to Day (2007), instead of perceiving cultural differences as potential hazards, the cross-cultural leadership style acknowledges different cultural backgrounds as opportunities to improve and support the company through new perspectives and shared learning. Similarly, Mihaela (2014) highlights that the leadership style can utilize inter-cultural dissimilarities as business opportunities. Consequently, the author believes that the main core competencies of global leaders around the world are the capabilities of transforming cultures into business assets. Furthermore, the researcher states that cross-cultural leadership style systematically centers on supporting equivalence, participation and knowledge sharing across cultures as well as learning from experiences.

Moreover, Day (2007) highlights the importance of leaders to recognize and acknowledge that cultural differences exist and that the respective cultures can significantly influence how individuals with different ethnic or national backgrounds tend to approach the everyday professional life matters and business issues. Thus, the author emphasizes that successful managers perceive cultural differences, or rather cultural perspectives, as alternative ways of dealing with certain circumstances. However, interestingly, the researcher states that these leaders acknowledge that their subordinates are representations of themselves rather than of their specific culture. Although cultural awareness is indeed important for international leaders of multicultural employees, it is great that Day (2007) also recognizes that people are not tied up to their cultural backgrounds only. Sometimes the individual differences can in fact be greater than those stemming from different nationalities, and thus, it is important not to dismiss individual differences.

Interestingly, Chrobot-Mason and Leslie (2012) introduce the concept of emotional intelligence (EQ), or emotional common sense. They state that there is a positive relationship between EQ and multicultural competence because individuals who have high emotional intelligence typically also have high multicultural competence. According to them, emotional intelligence refers to the ability to efficiently observe and adapt to new situations and people. Thus, the researchers justifiably highlight that EQ can be one of the motivating features and fundamental skills that improves the development of multicultural capabilities. Furthermore, Chrobot-Mason and Leslie (2012) underline that even though an individual can become familiar with the cultural differences when it comes to certain behaviors, values and practices, handling and managing international diversity differences is another thing. This is a good comparison because being aware of a certain matter does not automatically

mean that an individual can act accordingly. When dealing with employees, colleagues and clients from different cultural backgrounds, besides constant observation, the management requires potential adaptation to new circumstances and people (Chrobot-Mason and Leslie, 2012). The latter might be more challenging to do, which emotional intelligence can potentially facilitate.

Consequently, the authors state that leaders who have high levels of EQ comprehend the complexity of managing international diversity. Those leaders are critically and accurately self-aware of their own strengths, weaknesses, biases and assumptions regarding their skills to lead employees with culturally diverse backgrounds (Chrobot-Mason & Leslie, 2012). Thus, interestingly, emotional common sense can support an individual's ability to correctly evaluate their level of multicultural competence (Chrobot-Mason & Leslie, 2012). Hence, the researchers stress that emotionally intelligent individuals comprehend that they do not know everything about international diversity and multiculturalism. They highlight that self-awareness of multicultural capabilities can enhance the effectiveness of a manager leading an internationally diverse team. When the aim is to overall improve oneself, self-awareness of the current capabilities is typically indeed needed.

Table 2 Enablers and Hindrances of Recruiting and Leading International Professionals

Potential Enablers	Potential Hindrances
Cultural awareness & competence	Strong in-group and out-group dynamics
Geocentrism (world-oriented attitude)	Ethnocentrism (home-country oriented attitude)
Cross-cultural leadership	Lateral rigidity
Emotional intelligence	

(Perlmutter, 1969; Luostarinen, 1994; Robinson & Dechant, 1997; Heidelberg, 2005; Day, 2007; Chrobot-Mason & Leslie, 2012; Mihaela, 2014; Almeida et al., 2015)

Similar to companies' external internationalization, the literature highlights the important role of managers when it comes to internal internationalization as well. It is reasonable that without the managers' willingness to enter foreign markets as well as to recruit and lead international professionals, none of the said is likely to happen. The current research emphasizes cultural awareness and world-oriented attitude as important features that can potentially facilitate the recruitment of international employees. On the contrary, the

concepts of strong in-group and out-group dynamics, ethnocentrism and lateral rigidity can act as potential hindrances. Yet, it is not enough to hire international professionals but it is crucial that the managers can successfully lead an internationally diverse workforce. Hence, to lead an internationally diverse employee pool, cultural competence, cross-cultural leadership as well as emotional intelligence seem to be important managerial features. However, the readiness and capabilities of the leaders may not be sufficient. Thus, it is reasonable to say that the leaders need to be able to ensure that the entire organization is competent to receive and include international professionals. That notion is however rather vague in the current research.

2.3 International Workforce Diversity and Firm Internationalization

As this thesis focuses on researching the role of international professionals in firm internationalization, it is essential to examine the literature regarding the potential relationship between international workforce diversity and firm internationalization. Svärd (1982) has done a noteworthy early piece of research about personnel development of Finnish internationalizing companies with an aim to examine what kind of development needs internationalization causes for the workforce of Finnish firms. The author justifiably stresses that in general, the competitiveness of a company is significantly based on competent personnel. Consequently, the researcher highlights that in international markets, the real competitiveness of an enterprise derives crucially from the knowledge, skills and attitudes of the employees. As per Svärd (1982), the company management and workforce both play important roles in firm internationalization process. Svärd's (1982) reasonings present the justifications why it is essential to study the said connections in more detail.

Accordingly, according to Svärd (1982) and supported by Kuivalainen et al. (2010), the lack of skillful and experienced employees who have international experience and the required language skills are often significant hindrances to firm internationalization. Similarly, Dichtl et al. (1990), emphasize that the unavailability of competent employees as well as language unproficiency are typically the main challenges concerning the internationalization of a company. However, Zikic (2015) emphasizes that companies might not always recognize the unique foreign skills, knowledge and experiences of skilled migrants. This seems to support the literature's notion that international professionals appear to struggle more in the labor market compared to local candidates, as highlighted earlier by Almeida et al. (2015).

Hence, the argument of Dichtl et al. (1990) seems to contradict with Zikic (2015) as well as Almeida et al. (2015). These findings suggest that companies may not always consider international professionals as potential candidates. Nonetheless, Dichtl et al. (1990) states that determining whether the current employees are competent for export business tends to be a substantial concern of internationalization managers. Reasonably, expanding to foreign markets diversifies the tasks and missions of an organization, which sets new demands for its personnel (Svård, 1982). As highlighted in the very first section of this review, firm internationalization is indeed a more challenging and complex process compared to remaining in the domestic market (Geringer et al., 1989; Lindbergh, 2005). Therefore, it is understandable that the process sets new and wider expectations for the employees as well as managers. Hence, Svård (1982) strongly suggests that it is essential that the employees of an internationalizing company have a favorable attitude and are motivated to internationalization. Thus, Nummela et al. (2006) highlight that in order to obtain the necessary and required resources and skills for internationalization, it is probable that a company must diversify its employee pool.

However, even though the importance of inclusion is acknowledged in many companies, due to the less tangible and predictable benefits and requirement for a long-term commitment, diversity is typically not prioritized as one of the top business initiatives (Robinson & Dechant, 1997). When doing business, it is typically challenging to value something that cannot explicitly be measured in financial numbers. Furthermore, although the benefits of increased diversity are widely discussed, it can also lead to certain challenges. Consequently, Robinson and Dechant (1997), state that heterogeneity can initially lead to different communicational and teamwork challenges. Mohr and Shoobridge (2011) also point out that diverse backgrounds can increase conflicts and misunderstandings as well as diminish social integration within a team, which might negatively affect the employee productivity. de Jong and van Houten (2014) have studied cultural diversity's impact on internationalization performance. They indicate that higher cultural diversity may even lead to increased costs that can occasionally outweigh the benefits of firm internationalization. Consequently, it seems that international diversity can bring with it certain challenges that might be nonexistent in a more homogeneous workforce. Yet, Aytemiz Seymen (2006) has studied different cultural diversity management approaches, and the author emphasizes that in order to minimize the potential challenges of cultural diversity, and, on the other hand, to

maximize the possible advantages, companies have to manage the diversity effectively. Hence, it seems that, again, managers have an important role in this respect as well.

Nevertheless, despite potential challenges, the literature suggests that international professionals can also provide several different benefits to their employers. A number of articles highlight the potential advantages that foreign experts can offer specifically from the firm internationalization viewpoint. Oreopoulos (2011) underlines that there is an increasing global competition to attract talented migrants since immigration can indeed provide companies with highly-skilled international professionals. Zikic (2015) seems to agree with Oreopoulos (2011) through emphasizing that the knowledge economies around the world can benefit from skilled migrants as important basis of labor force development and growth, and the beneficial human capital of skilled migrants can become an important strategic resource and competitive advantage sources to firms.

Furthermore, Sui et al. (2015) have studied internationalization of immigrant-owned SMEs, and they highlight that immigrants have profound cultural knowledge especially of their home countries as well as other superior capabilities and resources relevant to firm internationalization. Hence, immigrant business professionals might be comparatively more open to conduct business in foreign markets compared to other entrepreneurs (Sui et al., 2015). Zikic (2015) also stresses that skilled migrants typically have diverse array of acquired skills and experiences as well as foreign networks and contacts, which can be valuable for companies. Accordingly, the author believes that the social capital of the skilled migrants can help in connecting to new international markets overseas. International networks as essential resources in firm internationalization are indeed highlighted by several studies (e.g. Lindstrand, 2003; Ivarsson and Alvstam, 2013; Servais and Decker, 2014).

Consequently, there seems to be a positive connection between the number of migrants in a company and exporting activities of that firm (Head & Ries, 1998; Pennerstorfer, 2016). This is a key point for me as it suggests that international professionals may have a positive effect on firm internationalization. Dunlevy and Hutchinson (1999) supports the notion through stating that increased number of immigrants tends to lead to trade growth between the host and home countries of the migrants. Likewise, Pennerstorfer (2016) explains that the connections and networks in their home country, important cultural knowledge and language skills are some of the features that can explain the causal relationship between the

immigrants employed in a company and the exporting propensity of that firm. Thus, immigrants' knowledge of and connections to their home countries can serve as superior information of potential market opportunities, which can all decrease the transaction and fixed costs of international trade with those countries, leading to supporting the export propensity of their employers to the home countries of the migrants (Head & Ries, 1998; Pennerstorfer, 2016).

Tihanyi et al. (2000) highlight that networking and interacting with people from different countries and cultural backgrounds is likely to facilitate cultural awareness and appreciation, which can reduce the common uncertainty related to conducting international business. Ely and Thomas (2001) state that multicultural workforce brings with it competitive advantage by providing companies a possibility to develop their cultural competence. According to Parrotta et al. (2016), increased international workforce diversity can facilitate their employees' abilities to relate to different cultures and to work in multicultural environments, which can improve the companies' capabilities to succeed in foreign markets. Furthermore, since people's abilities to solve problems and learn from experiences as well as attitudes and beliefs generally vary between different groups, increased heterogeneity and international diversity also tends to lead to more diverse perspectives, which typically increases innovativeness and creativity (Robinson & Dechant, 1997). Consequently, Ely and Thomas (2001) emphasize that companies that have culturally diverse workforce can benefit from the diversity when the aim is to gain access to and legitimacy with diverse, possibly previously unreachable, markets and customers as well as to overall recognize more internationally varied business opportunities.

Parrotta et al. (2016) have studied the potential relationship between ethnic diversity and companies' exporting behavior. According to them, companies are more and more commonly aiming to increase their international workforce diversity in order to expand their international business. This seems to suggest that companies might indeed believe that international workforce diversity can facilitate international business operations. Consequently, de Jong and van Houten (2014) emphasize that the effect of firm internationalization degree on the company performance is contingent on the cultural diversity level that stems from the firm's international operations. The authors state that in firms' attempts to internationalize, the executives have to make careful decisions which countries to enter and start conducting business in, and these decisions need to include

considerations of the existing level of cultural diversity in the company. Some studies even underline that companies that are more internationally diverse typically perform better in foreign markets compared to rather monocultural firms (Parrotta et al., 2016), and hence, cultural diversity is indeed fundamental for firm internationalization (Mohr & Shoobridge, 2011; Özturgut, 2017).

Accordingly, an internationally diverse workforce has heterogeneous experience and knowledge of foreign substances as well as international border-crossing networks and relations (Andersson & Florén, 2008; Mohr & Shoobridge, 2011). Thus, an international pool of employees can facilitate internationalization through reducing entry barriers and uncertainty to as well as providing stimuli for the internationalization of companies to overseas markets (Mohr & Shoobridge, 2011). Mohr and Shoobridge (2011) have studied the role of multi-ethnic workforce in SMEs' internationalization. Hence, their research topic is very similar to mine, and therefore highly relevant to me. The authors highlight that when initiating firm internationalization, a multi-ethnic employee pool can support companies to enhance their capabilities to sense and assess different internationalization opportunities as well as to deal with the challenges posed by globalization due to their varied and beneficial knowledge and information of foreign markets.

Furthermore, they underline that an international workforce can facilitate maintaining the valuable stakeholder relationships in host markets when they share the same language and cultural background with the locals of the target market. Therefore, according to them, cultural diversity can positively impact the firm capabilities to initiate, manage as well as develop international activities. Mohr and Shoobridge (2011) indeed found that there seems to be a positive effect of multi-ethnic workforce diversity on firm internationalization. On the contrary, Mohammadi and Schnepfer (2015) have studied cultural diversity's contribution on the internationalization process, and they highlight that a low level of cultural diversity can in fact be one of the potential reasons for poor internationalization performance. These perceptions give support to the notion that international professionals can indeed positively affect firm internationalization, and it seems that they can potentially facilitate both new foreign market entry as well as the subsequent international operations.

Moreover, as both international workforce diversity as well as the role of managers appear to be important in firm internationalization, interestingly and quite reasonably, the literature

suggests that the combination of the two, meaning international diversity within the top management team, also has an effect on firm internationalization. Therefore, the final review of literature here is concerned with the said relation. According to Rivas (2012), cultural knowledge of certain potential markets can be an important asset for a company, and hence, the author suggests organizations to recruit individuals to managerial positions whose cultural origin matches with the most essential foreign markets of the firm. Indeed, an internationally diverse top management team has wider cultural knowledge and awareness (Kaczmarek & Ruigrok, 2013), which can facilitate the required organizational adaptation in foreign markets during a firm internationalization process (Kaczmarek & Ruigrok, 2013; Agnihotri & Bhattacharya, 2019). Lee and Park (2006) have studied the relationship between diversity of the top management team and firm internationalization, and they highlight that international diversity seems to be more relevant compared to other diversity forms when a company's aim is to grow internationally.

Consequently, Perlmutter (1969) states that a good indicator of the multinational level of a company is the number of foreigners working at the top positions. Pisani et al. (2018) have researched the relationship between internal internationalization of the top management team and external internationalization of the respective company. They found that foreign top management team members are typically more tolerant towards foreignness compared to their domestic colleagues, and thus they do not perceive foreign markets with risks nor country borders as obstacles. Pisani et al. (2018) reason that the said stems from the foreigners' enduring and self-imposed choice of foreign employment and careers abroad.

Accordingly, due to higher levels of international trust and attention, the cognitive tolerance of foreignness associated with foreigners in the management team can positively impact the international expansion of the company (Pisani et al., 2018). Hence, a number of studies emphasize that a greater exposure to international diversity of the executive team is strongly related to higher degree of firm internationalization (Lee & Park, 2006; Rivas, 2012; Pisani et al., 2018). Thus, a diverse top management team can even be an essential precursor for firm internationalization (Lee & Park, 2006) as international diversity can lead to increased probability of investing in new geographic locations (Barkema & Shvyrkov, 2007). Since the current literature highlights the potential benefit of international diversity in firm internationalization as well as the importance of managers' attitudes in foreign market entry, it is reasonable that combining the two together in the form of an internationally diverse top

management team can facilitate the foreign market entry and subsequent international operations of a company.

Table 3 Potential Benefits of International Diversity in Firm Internationalization

Potential Benefits of International Diversity in Firm Internationalization
Cultural knowledge and competence
Language skills
Foreign market knowledge
International networks
International opportunity recognition
Open and favorable attitude towards internationalization
Innovativeness and creativity
→ Can lead to reduced entry barriers to and increased stimuli for firm internationalization

(Svård, 1982; Robinson & Dechant, 1997; Ely & Thomas, 2001; Tihanyi et al., 2000; Lindstrand, 2003; Mohr & Shoobridge, 2011; Sui et al., 2015; Pennerstorfer, 2016; Pisani et al., 2018)

According to the literature, international diversity seems to have a positive effect on successful firm internationalization. The current research suggests that international workforce diversity, foreign experts and internationally diverse top management team can all potentially contribute to firm internationalization in a favorable manner. The potential benefits of international workforce diversity stem from foreign professionals' valuable cultural competence, language skills, foreign market knowledge, international opportunity recognition, international networks, open attitude towards internationalization as well as innovativeness. These can all potentially lead to reduced entry barriers to and increased stimuli for firm internationalization (Mohr & Shoobridge, 2011). Yet, international workforce diversity may also lead to communicational and teamwork challenges, conflicts and misunderstandings as well as diminished social integration and employee productivity. However, these challenges can be facilitated by effective diversity management.

2.4 Conceptual Framework

Based on the existing literature, the conceptual framework presented in Figure 1 below depicts international workforce diversity's effect on firm internationalization. According to the current research, there indeed seems to be an explicit link between international workforce diversity and firm internationalization. However, the link only presents a one-sided view of the phenomenon. Through recruiting international professionals and leading them in an advantageous manner, the benefits of foreign experts can result in reduced entry barriers to and increased stimuli for firm internationalization (Mohr & Shoobridge, 2011). Yet, besides internationally diverse workforce, the company managers seem to have an essential role in order to achieve firm internationalization. Hence, international professionals may not suffice alone. The framework is explained in more detail following the figure below.

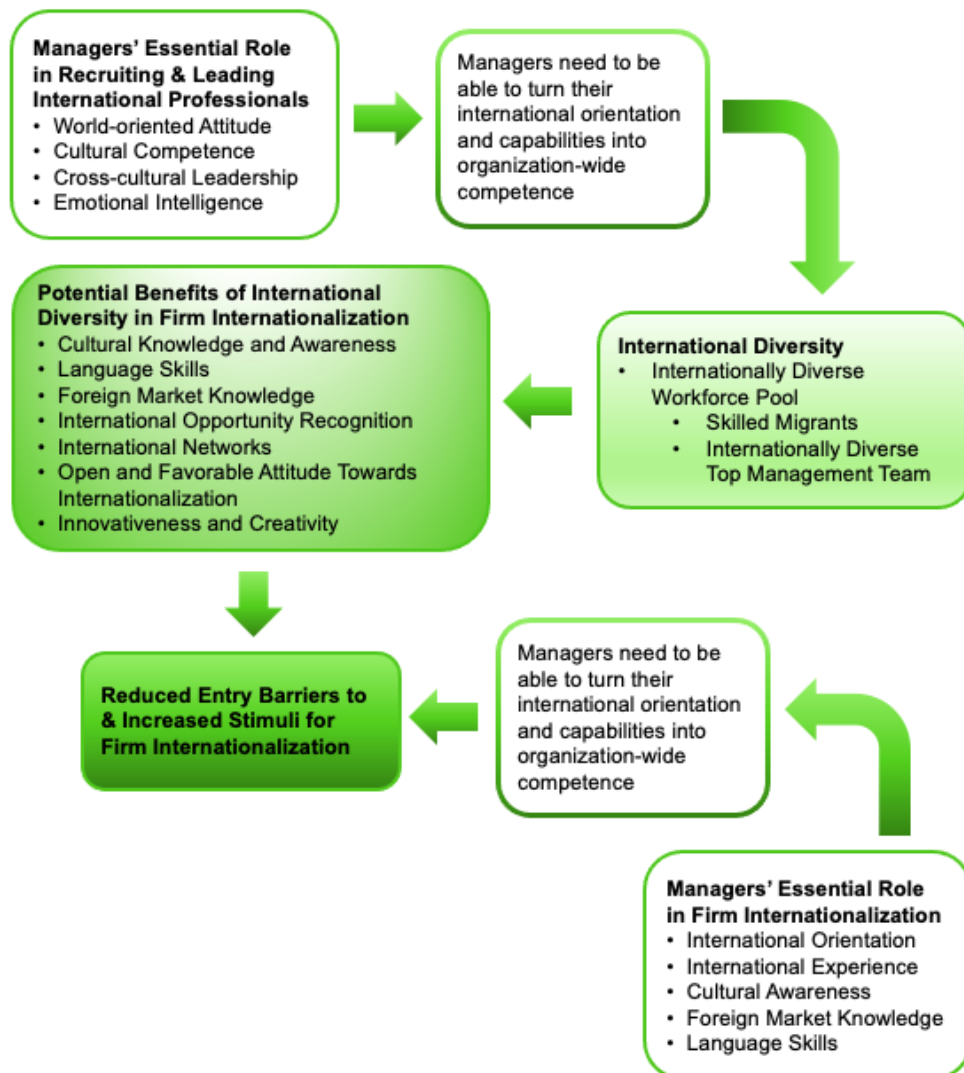


Figure 1 Conceptual Framework: International Diversity's Effect on Firm Internationalization

The framework starts from managers' essential role both in recruiting as well as leading international professionals. Managers have a significant influence on the labor market entry possibilities of foreign experts (Almeida et al., 2012). Managers' motivation towards international diversity is related to the extent of the leaders' world-oriented mindset (Sambharya, 1996). Consequently, these executives do not base their recruitment decisions on the potential applicant's nationality (Perlmutter, 1969). Instead, they typically aim to recruit the best professionals in the world regardless of the candidates' cultural backgrounds (Perlmutter, 1969). Hence, already the early research of firm internationalization, supported by the current one, seems to suggest that in order to increase companies' international workforce diversity, it is important that the managers are willing and motivated to recruit foreign experts. Yet, in order to be fully able to utilize the skilled internationals' career capital and know-how as potential sources of competitive advantage (Zikic, 2015), it is not enough to hire international professionals but it is crucial that the managers can successfully lead an internationally diverse workforce.

Accordingly, cultural competence is an important characteristic of a manager leading an internationally diverse pool of employees (Chrobot-Mason and Leslie, 2012). Hence, recognizing and acknowledging that cultural differences exist, and that the respective cultures can significantly influence how individuals with different national backgrounds tend to approach professional life matters and business issues is important for these leaders (Day, 2007). In cross-cultural leadership, instead of perceiving cultural differences as potential hazards, the manager acknowledges different cultural backgrounds as opportunities to support the company through new perspectives (Day, 2007). Furthermore, when dealing with employees who are from different countries, besides constant observation, the management requires potential adaptation to new circumstances and people, which refers to the concept of emotional intelligence (Chrobot-Mason & Leslie, 2012). However, the readiness and capabilities of the leader may not suffice alone. Thus, it is fair to state that the leaders need to be able to turn their international orientation and capabilities into the organization-wide competence through ensuring that the entire enterprise is competent to receive and include international professionals.

The literature highlights different potential benefits of international professionals in firm internationalization. An internationally diverse workforce typically has wide cultural

knowledge and awareness (Kaczmarek & Ruigrok, 2013), which can facilitate the required organizational adaptation in foreign markets during a firm internationalization process (Kaczmarek & Ruigrok, 2013; Agnihotri & Bhattacharya, 2019). International workforce can also facilitate maintaining the valuable stakeholder relationships in host markets when they share the same cultural and linguistic backgrounds with the locals of the target markets (Mohr & Shoobridge, 2011). Hence, cultural and linguistic diversity can positively impact the firm's capabilities to initiate, manage as well as develop international activities (Mohr & Shoobridge, 2011). Furthermore, due to their varied and beneficial knowledge and information of foreign markets, an internationally diverse employee pool can support companies to enhance their capabilities to sense and assess different internationalization opportunities as well as to deal with the challenges posed by globalization when initiating firm internationalization (Mohr and Shoobridge, 2011).

Besides the heterogeneous experience and knowledge of foreign substances, an internationally diverse workforce has valuable international border-crossing networks (Andersson & Florén, 2008; Mohr & Shoobridge, 2011), which can also serve as superior information sources of recognizing potential market opportunities (Head & Ries, 1998; Pennerstorfer, 2016). Moreover, because of the foreigners' enduring and self-imposed choice of foreign employment and careers abroad, international professionals are typically more tolerant towards foreignness compared to their domestic colleagues, and thus they do not perceive foreign markets with risks nor country borders as obstacles (Pisani et al., 2018). Increased international diversity also tends to lead to more diverse perspectives because of dissimilar abilities, attitudes and beliefs, which typically increases innovativeness and creativity (Robinson & Dechant, 1997). Companies that have internationally diverse workforce can benefit from the diversity when the aim is to gain access to and legitimacy with diverse markets and customers (Ely and Thomas, 2001).

Consequently, companies that are more internationally diverse typically perform better in foreign markets compared to rather monocultural firms (Parrotta et al., 2016). Thus, international diversity can even be fundamental for firm internationalization (Özturgut, 2017). Hence, a positive effect of international workforce diversity on firm internationalization indeed seems to exist (Mohr and Shoobridge, 2011). The benefits of an internationally diverse pool of employees can facilitate internationalization through reducing

entry barriers to and providing stimuli for companies' external internationalization (Mohr & Shoobridge, 2011).

Still, similar to recruiting and leading international professionals, managers and their motivations have a pivotal role in firm internationalization as well (Hutchinson et al., 2006; Nummela et al., 2006; Belniak, 2015). Hence, the CEO characteristics and firm internationalization seem to be strongly related to each other (Saeed and Ziaulhaq, 2019). Companies that aim to internationalize need to be led by top managers who have a desire to internationalize and who possess a mindset of moving from domestic to international (Svård, 1982). Consequently, international orientation is an important managerial characteristic of an international company, and it is especially crucial in firm internationalization (Bell et al., 2001). It is important that the top managers of an internationalizing firm develop favorable, positive and optimistic attitudes towards internationalization and foreign countries (Svård, 1982; Dichtl et al., 1984).

Additionally, prominent international experience overseas is an important managerial motive, incentive and success factor to plausible firm internationalization and foreign expansion (Dichtl et al., 1984; Reuber & Fischer, 1997; Hutchinson et al., 2006). Furthermore, companies that aim to internationalize need to be led by top managers who understand the culture as well as the economic and political conditions of the host countries (Svård, 1982). Finally, language skills of the decision-makers are related to international opportunity recognition and utilization in the countries where the language is spoken (Hurmerinta et al., 2015). Hence, language skills can open new doors and lead towards international expansion to markets that share the same language (Hurmerinta et al., 2015). Nevertheless, in order to benefit from the international orientation and capabilities of the managers, it seems to be important that the leaders can turn those into the organization-wide competence to enter and operate in foreign markets.

The conceptual framework summarized above works as a guideline for the empirical parts of this thesis. It is interesting to see whether the findings will share similarities with the framework or if the results of this study will differ from the theory. Yet, prior to presenting the empirical findings, it is relevant to introduce the methodology used in this thesis.

3. METHODOLOGY

This chapter introduces the methodology behind this thesis through presenting the empirical research approach and method, describing the data collection and explaining the research process. The chapter starts by going through the research paradigm with evidence of the ontological and epistemological starting points of this research. An explanation why a qualitative approach has been chosen for this study is also provided there. The following sections present the case company selection process as well as descriptions of the case companies, which is followed by clarifying the processes of data collection and analysis.

3.1 Research Paradigm

This thesis is a multiple case study of ten selected Finnish small and medium-sized enterprises, SMEs. Hence, the methodology of this research is based on a qualitative small-N case study with an aim to enter into deep discussions. As the intention is to conduct a profound research, instead of focusing on the big data with a quantitative method, a qualitative technique is used in order to obtain insightful and more thorough analysis. Any hypothesis are not set because it is essential to have an open mind throughout the study in order to treat both concepts of international workforce diversity and firm internationalization as equally as possible. The research question of this thesis is *“How are international workforce diversity and firm internationalization connected to each other?”*. An equal treatment of the two key concepts is required because the underlining assumption of the researcher is that the potential connection between the two can be whatever, if any. Naturally, researchers always have some pre-understanding about their research topics but these comprehensions should not ‘lock them in’ but serve as stimulating views instead. Thus, the aim is to avoid possessing strong prejudices or preconceptions regarding the potential relationships and connections between the two notions.

The ontological and epistemological starting points as well as the general qualitative tradition of this research are not based on a single philosophical research design. Instead, this study is characterized by a few different theoretical viewpoints. The onto-epistemological basis of this research is in between social constructivism and critical realism, which are explained in more detail in the following subsections.

3.1.1 Social Constructivism and Interpretive Sensemaking

Social constructivism, or interpretivism, is concerned with shared and subjective meanings, and it is especially interested in how individuals understand and interpret social settings and events (Eriksson & Kovalainen, 2008). Thus, social constructivism considers that the reality is socially constructed, which is also referred to as subjectivism (Eriksson & Kovalainen, 2008). The constructivist or intrinsic philosophical approach emphasizes the limits of human knowledge (Piekkari & Welch, 2017). Hence, constructivism highlights that it is never possible to have a full and objective understanding of a case due to the complexity of the social world (Piekkari & Welch, 2017).

Consequently, the aim of this thesis is to research Finnish SMEs' internal and external internationalization. In general, the current research emphasizes that the readiness and willingness regarding both concepts originates mainly from the board of directors and company managers. Therefore, as the key actors of this study stem from the company executives as social individuals, this thesis is based on social constructivism. Hence, it is important to comprehend that the interviewed company managers in this thesis may not give an objective and full understanding of the two concepts due to the limitations of human knowledge and the complex social world. Moreover, the researcher of this study acknowledges the limits of her understanding and knowledge, and thus, understands that the results of this thesis could be different if it was carried out by another researcher. This further highlights the constructive features of this thesis, and acts as the main argument why I position my study in social constructivism.

One qualitative tradition of a constructivist philosophical orientation is that of an interpretive sensemaking, which is characterized as a subjective search for meaning in which the researcher is part of the studied world (Welch et al., 2011). The name itself already tells that in interpretive sensemaking, it is important to understand and interpret the world as well as to explain why certain events happen in the way they do (Welch et al., 2011). The anticipated outcome is to particularize instead of generalize the research findings, and the aim is to understand the particular experiences with thick contextual descriptions (Welch et al., 2011). Therefore, the emphasis on context is strong whereas that of the causality is rather weak (Welch et al., 2011). Since the research context of this thesis is rather narrow as it focuses on only one country, Finland, and only on one organizational context, that of the SMEs all headquartered in Finland with a Finnish background, the importance of understanding how

the results of this thesis can only be particularized in the specific studied context of Finnish SMEs is highlighted. For this reason, it can reasonably be stated that this study is characterized with the interpretive sensemaking approach as well.

3.1.2 Critical Realism and Contextualized Explanation

A critical realistic researcher is part of the studied social world and acknowledges that a definite case cannot be isolated from its broader context (Piekkari et al., 2009). In critical realism, it is considered that people tend to understand reality differently depending on the context and time (Eriksson & Kovalainen, 2008), and thus, it recognizes that knowledge and interpretation is dependent on the situation (Piekkari et al., 2009). Accordingly, as the research context of this thesis is Finnish SMEs in varied industries, and the researcher of this study acknowledges that the results cannot be generalized to any broader contexts, this paper has features from critical realism too.

Contextualized explanation is one of the critical realist research traditions in which the nature of the research process is to subjectively search for causes, and thus the desired outcome is to find cause-and-effect explanations of causal mechanisms (Welch et al., 2011). This study philosophy has a strong emphasis on both causal explanation and contextualization (Welch et al., 2011). Contextualized explanation considers that only contingent and limited research generalizations can be drawn from the results (Welch et al., 2011). Since the aim of this thesis is to find out how international workforce diversity and firm internationalization are connected to each other, and whether cause-and-effect explanations of a potentially causal relationship exist, this thesis has characteristics of the contextualized explanation research tradition as well.

To summarize, for the aforementioned reasons explained above, this study is a mixture of social constructivism and critical realism philosophical theories with specific qualitative research traditions of interpretive sensemaking and contextualized explanation. Since this thesis acts as a multiple case study, the next section focuses on introducing the research approach of case studies.

3.2 Case Studies

Business schools have a long tradition of utilizing genuine and actual business cases in education, and hence, it is not surprising that case studies have been adopted to business research (Eriksson & Kovalainen, 2008). Using a range of different data sources, case study is a research approach that assesses certain phenomenon in a real-life setting (Piekkari et al., 2009). Case study research is typically qualitative in nature (Eriksson & Kovalainen, 2008), and the aim of a case study is to contrast theory with the empiric field (Piekkari et al., 2009). Furthermore, a case study can research complex issues and present them in a format that is vivid and easily accessible (Eriksson & Kovalainen, 2008). Besides studying the theoretical concepts behind international workforce diversity and firm internationalization, an important part of this thesis is to understand the potential connection between employing international professionals and entering foreign markets in the context of Finnish SMEs. The said highlights the aim of this study to contrast theory with the empirical research, which is indeed a typical characteristic of case studies.

A case design can either focus on a single case or multiple cases (Fletcher & Plakoyiannaki, 2011). The descriptions already tell that a single case design is focused on studying only one case whereas a multiple case design includes a number of different cases. Although there is no exact perfect answer to how many cases a multiple case study usually entails, the number of cases is typically between 4 and 10 (Eisenhardt, 1989). Generating any complex theory with convincing empirical grounds is often difficult with less than 4 cases (Eisenhardt, 1989). On the other hand, coping with the volume and complexity of the data is challenging if the study includes more than 10 cases (Eisenhardt, 1989). Nonetheless, a single case design aims to acquire deep insights with greater depth whereas a multiple case study typically replicates the reasoning across the cases in order to acquire increased breath (Fletcher & Plakoyiannaki, 2011). Hence, in a single case study, the emphasis is on profound descriptions of the within-case analysis while a multiple case study stresses the cross-case analysis through highlighting the comparison of the cases (Fletcher & Plakoyiannaki, 2011). Accordingly, a multiple case study method enables the researcher to enhance the strength of a finding through duplicating it across the cases (Piekkari et al., 2009). The differences between a single and multiple case study are summarized in the table below.

Table 4 Single versus Multiple Case Design

Single case design	Multiple case design
Deep insights: greater depth	Replication logic: greater breadth
Emphasis on thick descriptions – better stories	Emphasis on comparison – better constructs
Can be highly context specific, focus on the uniqueness of the case	Greater opportunity for generalizability and external validity
Emphasis on within-case analysis	Emphasis on cross-case analysis

(Fletcher & Plakoyiannaki, 2011: 185)

A case study can either be intensive or extensive in nature. Through providing a contextualized and holistic description, the aim of an intensive case study research is to profoundly understand the case (Eriksson & Kovalainen, 2008). Thus, the classic intensive case study research emphasizes the understanding and interpretation of the specific case through aiming to find out as much as possible about a small number of cases ranging from one to a few (Eriksson & Kovalainen, 2008). An extensive case study on the other hand aspires to map shared patterns and features across the selected cases (Eriksson & Kovalainen, 2008). Through comparing a number of cases, the aim of an extensive case study is to elaborate, test or create theoretical concepts that can be generalized (Eriksson & Kovalainen, 2008). In order to verify a present theory or generate a new one, the selected cases need to be similar enough although some differences are also desired in order to be able to draw comparisons (Eriksson & Kovalainen, 2008). The researcher of an extensive case study needs to gather similar empirical data from each case in order to draw comparisons (Eriksson & Kovalainen, 2008). It seems that intensive case studies are typically used in a single case design while an extensive case study is more common in the design of a multiple case.

As said, this study is based on a multiple case study of ten selected Finnish SMEs. Although this research has some characteristics of an intensive case study through entering into somewhat profound discussions, this thesis is even more extensive in nature. This research includes altogether ten different cases with an aim to draw shared patterns of the cases. In order to verify an existing theory or potentially generate a new one, this study also compares the empirical results with literature. The said are indeed typical characteristics of an extensive case study.

3.3 Case Companies

This multiple case study is based on ten selected Finnish SMEs. The case companies are namely Adventure Club, Ai4Value, Benete, Finders Seekers, FinVector, Genelec, Medikro, Sensible 4, Sowellus and Vaadin. The case companies were selected based on two main criteria. Firstly, as this thesis is positioned on studying Finnish SMEs, all firms need to have Finnish origins, be headquartered in Finland as well as fulfill the definition of an SME through employing less than 250 people and having an annual turnover of less than 50 million euros (European Commission, 2015). Secondly, to allow drawing comparisons across the case companies, besides having somewhat different profiles in terms of their age, company size, headquartered city and operated industries, the firms have different internal and external internationalization levels as well. All companies were found through the network of Business Finland. The following three tables give brief summaries of the firms.

Table 5 Overview of the Case Companies

Company	Description	Founded in	Headquartered in
Adventure Club	Design and innovation studio building digital services	2014	Helsinki
Ai4Value	AI start-up providing practical AI solutions in the area of machine learning	2018	Helsinki
Benete	Health and wellbeing start-up delivering wellbeing analytics services	1997; active since 2016	Turku
Finders Seekers	Recruitment company providing IT recruitment and employer branding services as well as trainings	2018	Helsinki
FinVector	R&D company of viral-based gene therapy products	1993	Kuopio
Genelec	Designs and produces high-quality active loudspeakers	1978	Helsinki
Medikro	Develops, manufactures and markets cardio-pulmonary medical equipment	1977	Kuopio
Sensible 4	Technology start-up offering a software for autonomous driving	2017	Espoo
Sowellus	A software start-up specializing in key management	2015	Helsinki
Vaadin	Commercial open-source web framework company	2000	Turku

(Sources: Company websites and representatives)

Table 6 Headquarters' Level of Internal Internationalization

Company	Number of Employees	Foreign Employees (in %)
Adventure Club	25	20
Ai4Value	2	0
Benete	6	66
Finders Seekers	15	20
FinVector	210	12
Genelec	165	40
Medikro	32	15
Sensible 4	57	31
Sowellus	5	0
Vaadin	111	50

(Sources: Company websites and representatives)

Table 7 Case Firms' External Internationalization Levels

Company	Firm Internationalization Status	Int. Sales (in %)
Adventure Club	Offices in Germany and the Netherlands. Customers and sales acquired in many other countries as well.	20
Ai4Value	No international offices but takes part in international projects in different countries abroad. Utilizes an international network of over 150 professionals around the world.	20
Benete	No international offices. Planning to open connections primarily to Denmark and the Netherlands.	0
Finders Seekers	No international offices but is planning to internationalize.	0
FinVector	An office in England. Customers located mainly in the USA.	100
Genelec	Subsidiaries in the USA, Japan and China, and offices in Sweden and Denmark. Around 100 importers and a distributor network in 80 different countries. Products offered worldwide.	80
Medikro	One-person office in China, representative offices in the USA, Germany, Italy and Spain. Distributor network of products covers over 30 countries.	65
Sensible 4	No international offices. One person located in Denmark, and a business development director working in Japan to acquire customers from the Asian market. Close cooperation with other international companies.	70
Sowellus	No international offices but has started to internationalize focusing on the Nordics, specifically Sweden. Already has a few customers in Sweden.	5
Vaadin	Offices in the USA and Germany. Individual subcontractors working remotely in Argentina, Spain, Russia and France.	90

(Sources: Company websites and representatives)

These ten case companies are studied and analyzed with an aim to answer the research question of this thesis through fulfilling the research objectives. Hence, the empirical study focuses on finding similarities as well as differences across the case companies' potential connections between their internal and external internationalizations. Yet, before focusing on the empirical chapters of this thesis, it is essential to explain the data collection and analysis process of the study.

3.4 Data Collection and Analysis

3.4.1 Data Collection

Case studies that are based on variety of empirical data sources result in more convincing, accurate and diverse research outcomes (Eriksson & Kovalainen, 2008). Accordingly, both primary as well as secondary data are utilized in this thesis. The primary data collection method is based on semi-structured interviews. A semi-structured interview refers to a guided interview with preprepared outline of certain issues, topics or themes as well as 'what' and 'how' questions (Eriksson & Kovalainen, 2008). The semi-structured outline allows the interviewer to vary the order and wording of questions if needed besides keeping the interview tone fairly informal and conversational (Eriksson & Kovalainen, 2008). The interviews of this study were focused on the topics of recruiting and employing international professionals, foreign market entry as well as international operations. The secondary data includes company websites and other available online sources as well as materials received directly from the company representatives.

The empirical data was collected between May and September 2020. The interviewees' contact details were received from Business Finland or through the company's networks. All interviewees were first approached via email. Required initial information of the companies' internal and external internationalization levels were gathered prior to the interviews via email as well. Furthermore, Business Finland has launched a survey for Finnish SMEs regarding their readiness and capabilities to recruit and work with international talent. The survey also acts as a self-assessment tool giving each responding company insights and a profile of their international diversity readiness and maturity based on their answers to the survey questions. There are altogether five different profile options each with a different international diversity maturity degree. The given profile options of the survey are 'forerunner', 'boldly forward', 'more than ready to take the next step', 'going for

it’, and ‘first steps’ as briefly summarized in the table below. Accordingly, all case company representatives were asked to reply to the survey prior to the interview in order to discuss the received Talent Boost profile as part of the interview.

Table 8 Talent Boost Survey’s Profile Options and Respective Descriptions

Profile	Description
1. First Steps	Deciding to participate in the survey is a first step of the company to spark new ideas and thoughts regarding international employees.
2. Going for It	The company has a basic understanding of the potential business growth opportunities facilitated by international talents. Various services could support the organization to become more international.
3. More than Ready to Take the Next Step	The company has a demand and desire to develop its pool of talent with foreign professionals. By focusing on some internal processes and practices, the organization could become more open and ready to recruit international experts.
4. Boldly Forward	The company is well on the way towards increased internal internationality. Considering a few more matters could further improve the abilities of the firm to employ and lead international employees.
5. Forerunner	The company is already well-equipped to recruit and lead international employees.

(Business Finland, 2020a)

The interviews were conducted in May 2020 through utilizing the online platforms of Teams and Skype. One company representative from each case company was interviewed once. The interview questions were not sent to the respondents in beforehand in order to avoid a situation in which the interviewees practice their answers in beforehand. Because all company representatives are native or fluent Finnish speakers, the interviews were conducted in Finnish. Although conducting the interviews in Finnish instead of English required translating the important interview data afterwards, the respondents were probably able to give more comprehensive answers when using their mother language. All other company representatives are native Finnish speakers except the CEO of Genelec who is originally from Iran. However, he has lived in Finland for the past 30 years and speaks fluent Finnish. All interviews were recorded in order to be able to focus on the interview situation without having to take a lot of notes during the interview nor to rely on the memory of the researcher after the interviews. In order to support the analysis process, the recorded interviews were transcribed. The table below summarizes the company representative of

each case firm. Bea Grandell from Finders Seekers is not working for the company anymore whereas as of June 2020, Katriina Valli from Ai4Value is working as the Chief Innovator of the company.

Table 9 Company Representatives and Their Respective Job Positions

Company	Company Representative	Position
Adventure Club	Kimmo Timonen	CEO
Ai4Value	Katriina Valli	Founder and CEO
Benete	Kari Bäckman	CEO
Finders Seekers	Bea Grandell	Senior Tech Talent Strategist
FinVector	Johanna Pirinen	HR Director
Genelec	Siamäk Naghian	CEO
Medikro	Tuukka Eloranta	CEO
Sensible 4	Nina Koski	HR Manager
Sowellus	Tuomas Pohjola	CEO
Vaadin	Mikko Inkinen	Group Manager

In addition to the collected secondary data, answers to additional questions that were sparked during the analysis process were received via email after the interviews. Moreover, as a result of a longer thought process, one company representative also spontaneously sent further comments via email after the interview. The supplementary secondary data sources of this study includes the companies' official websites, LinkedIn pages, online articles as well as other material available online or received from the company representatives. The secondary data sources are summarized in the table below.

Table 10 Utilized Secondary Data Sources per Case Company

Company	Official Website	LinkedIn Page	Online Articles	Other Material
Adventure Club	X	X		Instagram Account
Ai4Value	X	X	Codemen Oy (2018), F6S (n.d.), Teknologiainfo (2019)	
Benete	X			Internal Video
Finders Seekers	X	X		Blog Posts
FinVector	X	X	BusinessKuopio (2018)	Job Advertisements
Genelec	X		Talouselämät (2019)	Company Book
Medikro	X	X	BusinessKuopio (2018), CADWORKS (2016)	
Sensible 4	X		Business Finland (2020), EU-Startups (2020)	Privacy Policy and Statement, Company Press Release, YouTube Video
Sowellus	X	X	GoodNews from Finland (2019)	Internal One Pager, Internal Capstone Project of Aalto University
Vaadin	X			YouTube video, Recruitment Handout

After the data collection period, the compiled primary and secondary data were analyzed. Hence, the following section explains the chosen data analysis process of this case study.

3.4.2 Data Analysis

In order to enhance the trustworthiness of the study, it is important to be clear how the data was analyzed and on what assumptions the analysis was based (Nowell et al., 2017). Thus, a description of the data analysis methods used in this research is provided in this section. The data analysis process of this thesis is a continuous dialogue between the theoretic insights and pragmatic findings from the case data with an objective to find out how international workforce diversity and firm internationalization are potentially connected to each other.

The data analysis of this thesis will start with analyzing each case company individually, which is referred to as a within-case analysis (Eriksson & Kovalainen, 2008). Since case study research typically entails a significant volume of data, conducting separate within-case analyses can help the researcher to manage and cope with the voluminous amount of data (Eisenhardt, 1989). The within-case analysis enables analyzing each case as profoundly as possible through involving a detailed study of each case (Eisenhardt, 1989). Once the cases

have been analyzed separately, a cross-case analysis will follow. As the name itself already signals, through searching for patterns (Eisenhardt, 1989), a cross-case analysis compares the cases concerning potential similarities and differences between them (Eriksson & Kovalainen, 2008). Furthermore, a cross-case analysis typically also contrasts the case findings with existing theory (Eriksson & Kovalainen, 2008). According to Eisenhardt (1989), cross-case analysis can increase the likelihood of a researcher to apprehend novel findings from the data.

Both within-case and cross-case analysis of this study are structured in a thematic order, which refers to highlighting common themes and conceptual categories (Eriksson & Kovalainen, 2008). A thematic analysis probably makes it easier to spot similarities and differences between the cases. Consequently, Eriksson and Kovalainen (2008) state that a thematic analysis can be utilized in order to potentially discover patterns of the themes. Moreover, each within-case analysis is sent to the respective company representative for a review before publishing the study, which allows me to correct potential unintentional errors and misunderstandings. This method refers to a so-called member check that can result in increased quality of the research (Eriksson & Kovalainen, 2008). Hence, member checking allows the participants to go through the interpretations of the researcher, which can lead to established credibility and validity (Eriksson & Kovalainen, 2008). The next chapters present the empirical parts of this study starting with the within-case analysis, which is followed by the cross-case analysis and discussion as explained above.

4. EMPIRICAL FINDINGS

This section presents findings of the primary as well as secondary research of ten Finnish SMEs with an aim to answer the research question of this study – *How are international workforce diversity and firm internationalization connected to each other?*. The presentation order of the case companies has been chosen based on the level of international workforce diversity. The company with the highest percentage of international professionals in the company is presented first and will be followed by the others in a descending order.

The discussed topics of each case analysis includes recruiting international professionals and entering foreign markets. The recruitment of international professionals is introduced prior

to foreign market entry because based on the literature, having recruited foreign experts can facilitate firm internationalization. Furthermore, each company representative was asked to fill out Business Finland's Talent Boost survey prior to the interview. The Talent Boost survey as well as the survey profiles were introduced in the Methodology chapter. Out of the five different profile options with a dissimilar international diversity level, each case company of this thesis received the same profile from the survey. Accordingly, all of the case companies in this thesis are the so-called 'forerunners', meaning that the firms are already well-equipped to recruit and lead international employees (Business Finland, 2020a).

4.1 Benete

Benete is a health and wellbeing start-up headquartered in Turku. The company was originally founded in 1997 but started its active operations in 2016. Benete delivers a wellbeing analytics service that detects functional and cognitive disorders (Benete Official Website). The service is provided for public and private elderly care, insurance companies as well as private individuals (Benete Official Website). The company has six employees out of which four are foreigners. The foreign experts have been recruited one by one from the Finnish recruitment market. Each international professional is originally from a different country. Hence, Benete's team is very international and multicultural especially considering the fact that it employs altogether alone six employees. For the time being, Benete operates only in Finland and does not have any foreign sales yet. However, it is planning to open connections primarily to Denmark and the Netherlands, and seems to be eager to internationalize. Hence, Benete has internationalized internally before initiating the external one.

Kari Bäckman is the CEO of Benete and has an exceptionally positive attitude towards international workforce diversity and multiculturalism. During his career, Bäckman has worked as a consultant in international work environments at big consultancy firms in addition to gaining work experience through being part of different projects in the Nordic countries. The CEO is genuinely interested in different cultures, open for foreign employees and keen on recruiting further international professionals. According to him, it has been a fortune to get international experts to join their team at Benete (Globaalit Osaajat, n.d.).

4.1.1 Recruiting International Employees

As the other case companies of this thesis, Benete also received the highest possible profile of a 'forerunner' from the Talent Boost survey. The CEO of Benete, Kari Bäckman, thinks that the profile matches with his company's current international position well. Bäckman has an extremely, even exceptionally, positive and open attitude towards foreigners. He in fact desires that they had even more nationalities working at the company. The CEO underlines that *"...my experiences of having such an international gang and the experiences of these [international] people are so good that I actually slightly hope...that our next recruits would also be foreigners."*

Yet, Bäckman states that it is naturally not a must to only recruit internationals. Thus, he explains that if they find better experts within Finnish candidates, they will certainly employ domestic professionals. But theoretically, if there were two equal candidates with the separating factor that one is a domestic applicant and the other a foreigner, the CEO underlines that *"...I would definitely select the foreigner."* Therefore, Bäckman seems to be willing to even carry out positive discrimination towards international candidates. Accordingly, Bäckman recognizes that he may differ from many other Finnish business executives when it comes to his openness towards foreigners and international employees. *"But my experiences are so good and I perceive it [internationality] as such a great richness..."* The CEO's remarkably positive attitude stands out throughout the following chapters.

Bäckman highlights that the company's recruitment grounds are always based on know-how. The aim is to find the right person for the respective job. He emphasizes that nationality and cultural background of a potential candidate are irrelevant during the recruitment process. Bäckman states that both Finnish and foreign candidates can be equally qualified and possess the required knowledge. The CEO explains that only once the main recruitment criteria of having the required know-how and otherwise qualified profile are fulfilled, he acknowledges that *"...oh, so this one comes from that country."* Since each of the company's international employees are originally from different countries, namely from China, Iran, Ukraine and Russia, it seems that Benete is indeed inclusive to different nationalities. However, it seems that these nationalities have not affected the initial foreign market selection of the firm.

The company's website introduces the whole team by their names, positions and pictures (Benete Official Website). The webpages are only in English, which gives a welcoming first impression for potential foreign jobseekers and international customers. Introduced on the website as well as stated by Bäckman in the interview, Benete's data analyst, software developer, frontend developer and lawyer who is also an operational manager are all foreigners. Besides the CEO, the firm's service designer is from Finland. As four out of six employees are non-Finns, despite being small, Benete is indeed an international employer. The company seems to be appreciated as a multicultural workplace also among their employees. One of the firm's international experts, Mariia Bieskova, who is originally from Ukraine highlights that being in an international team is something that she would not change for anything else (Globaalit Osaajat, n.d.).

Bäckman underlines that he could recruit further international experts to any job role or position. He could even willingly envision to give his role as the CEO to a smart foreign professional, which highlights his uniquely positive attitude towards internationals. During the interview, it was great to hear how extremely positive experiences Bäckman has about working with his international work colleagues. Bäckman praises Benete's foreign employees as extremely committed and motivated to work in addition to being very thorough, responsible, conscientious and considerate towards others. At a collaboration video of Benete and Business Finland portraying the employment of global experts, Bäckman also emphasizes that the company's international professionals have proved to be very diligent all possessing a high level of know-how (Globaalit Osaajat, n.d.). According to the CEO, due to the international employees' high sense of responsibility, motivation and know-how, there has been no need to intervene or worry about whether they do their job or not. Therefore, Bäckman states that it has been very easy to work with his non-Finnish colleagues.

The CEO has been in a managerial position also prior to his current job. Based on the earlier experiences, Bäckman notes that even though Finnish experts can equally have similar features, the conscientiousness and sense of responsibility seem to be outstandingly high within foreign professionals. According to the Managing Director, when it comes to the quality of work and eagerness to work, foreigners are on the same level, if not even higher, compared to Finnish people. He has felt that Finnish employees sometimes need to be urged more than the international ones. However, a few interviewed managers from other case

companies stressed that in the end, many of the differences are more related to personality than cultural matters per se.

Bäckman states that they have not had any significant communicational, linguistic or culture-related problems nor any other challenges that stem from the company's international employees. The working language at Benete is English and despite having different linguistic backgrounds, all employees in the company get along in English very well. He considers that communicational challenges can arise in those work communities that have several employees from different countries but no common language. The CEO considers that language and communicational challenges indeed, specifically regarding the unfamiliarity with English, as well as organizational changes are perhaps some of the main reasons why some companies are hesitant to recruit the first foreign employees. *"If a manager is not fluent in English...and does not regard English as a natural communicational language, it can diminish the willingness to recruit foreigners."* Still, surprisingly and interestingly, Bäckman believes that they could consider recruiting an employee who is not proficient in English if the individual would otherwise be a professional in their own area of expertise. Although it would be very brave to hire an individual who does not share a common language with the other employees of the company, Bäckman's comment left me to ponder how that could work in practice.

In order to prevent potential challenges of multiculturalism, the CEO highlights that in an internationally diverse workforce, it is important that the managers *"...have a genuine interest in other cultures and are willing to understand different cultures."* The said theme runs across several other interviews too. Accordingly, besides being transparent, Bäckman states that taking into account and giving space for cultural matters is important. It is essential not to suppress different cultural matters since that can lead to problems. Instead, the goal should be to perceive and appreciate cultural differences as enriching assets. He recommends managers to genuinely and openly discuss with and listen to what the employees want to do and what they consider is the best rather than pushing the leaders' own ways of doing things. Bäckman notes that it is also important that the employees know that they can be themselves in the organization regardless of their cultural background. It is essential in any work environment, be it international or local, that the employees can be themselves regardless of their background. Psychological safety is vital for everyone.

The CEO also emphasizes the ability to understand that even though the international people live in Finland, they still follow the practices of their own culture. Thus, for example their own national holidays are still important for them. Bäckman underlines that is important to talk about the cultural matters in order to understand the reasonings behind certain feasts for instance. He explains that if possible, the aim at Benete is to divide the holidays and days off so that everyone can celebrate the important feasts, such as the New Year, whenever it happens to be in each culture even if those days would normally not be holidays in Finland. That is probably very rare but genuinely respectful manner and surely appreciated among the company's foreign employees. Thus, in this matter, Benete is an exemplary company that intentionally aims to create an inclusive work environment in which everyone is taken into account.

4.1.2 Entering Foreign Markets

Benete is strongly going towards internationalization. The CEO Bäckman highlights the company's internationalization plans of the near future both during the interview as well as in the collaboration video of Benete and Business Finland. *"Our main operation sites will after all locate totally elsewhere than in Finland."* Bäckman reasons that *"Finland is nonetheless a small country as a nation of 5 million people."* The CEO explains that Benete's potential target group is around 10 percent of the Finns covered by home care. Reaching the same customer relation in other European countries with millions of residents would result in significantly higher potential target customer number compared to the domestic one. It is easy to understand Bäckman since financially, it is definitely worthwhile and potentially profitable to look outside of the small domestic market of Finland. Accordingly, Bäckman reasons that *"We just happen to locate here [in Finland]."*, which reflects his strong global orientation.

Firm internationalization is characterized with several different challenges. Bäckman states that prior to even entering foreign markets, sufficient financial capital is needed. On the other hand, the CEO highlights that the biggest benefit of internationalizing is reaching a bigger market, which can lead to increased sales and company growth. He hopes that Benete's future foreign market entry could also lead to some rewarding possibilities for the people who have been involved in the internationalization. The said mindset of Bäckman's further highlights his genuinely generous and humble personality that probably not many company CEOs possess.

Benete's main service is related to elderly care, and the company employs people from 5 different countries that have somewhat different practices regarding their senior citizens. Bäckman highlights that it has been interesting to have conversations about elderly care with his colleagues and to discuss about its meaning in each country. The CEO reasons that it is necessary to understand the situation of older people in the target market so that the service can be adjusted to fit the respective needs. He explains that Finland has its own way of caring for seniors via home care, nursing homes and their own families. Yet, the elderly care is somewhat different in China, Iran, Ukraine and Russia for instance. Hence, Bäckman states that in case they will someday decide to expand to the said countries, the firm already has beneficial know-how of the cultures and markets thanks to the international employees who are originally from those countries. Accordingly, Bäckman emphasizes that the international experts have facilitated the service design in various ways, which has led Benete to become more ready to enter international markets (Gloaalit Osaajat, n.d.). It is interesting that Bäckman shares the common knowledge of the literature regarding international workforce diversity's positive effect on foreign market entrance.

The CEO gives a concrete example of the aforesaid matter through explaining that Benete has already been in contact with potential Chinese customers, and the firm's Chinese employee has indeed facilitated the data collection and market research of Chinese market. Bäckman explains that due to authentic cultural knowledge, the local employee has genuine understanding of what the Chinese customers want. The CEO emphasizes that *"Compared to a situation in which we would not have the Chinese resource, it gives a certain cutting edge when one has local expertise of a certain market."* Furthermore, *"I believe that it would be relatively easy to expand to Russia for instance as we have so good relations there via our employee"*. Bäckman considers that it is valuable that they would have a possibility to be in contact with potential customers in Russian thanks to his Russian speaking colleague. Other company managers also highlight the importance of language skills when serving international customers as will pointed out in the following case company analyses.

Benete is currently researching the market opportunities in Denmark and the Netherlands as their aim is to potentially have some business activities in both countries already during this year. Therefore, Bäckman is considering to recruit a Danish employee to their team; either so that the expert would move to Finland or that the person would be located in Denmark to handle the first steps forward directly on the spot. Thus, Bäckman indeed believes that

foreign employees can be beneficial resources when the aim is to succeed in international markets since his aim is to carry out the notion in practice. Accordingly, Bäckman seems to be a manager who lives up to his words and is not afraid to fulfill his ideas. Nevertheless, somewhat surprisingly, the CEO considers that foreign professionals may not be necessary as he believes that Finnish companies succeed with solely Finnish employees in the world quite well. Therefore, he would not say that international success requires precisely foreign resources. This concept is after all challenged by some of the other interviewed CEOs.

Regarding the special skills needed for an internationalizing company manager, Bäckman emphasizes the importance of courage. *“...one has to have courage to make the decisions as it is very risky – very, very risky – to open the markets, particularly for a small firm.”* Furthermore, the CEO underlines that if the desire is to enter a certain market, a successful leader is willing to invest in it since it demands a lot of time. This means that some of the regular managerial responsibilities should be delegated to someone else so that the leader has time to properly support the market entry process. Otherwise there is not enough time to do everything, which can then lead to deteriorations in some other area. *“The worst situation is certainly if the existing market and customers suffer from opening something new because then one can lose everything at the same time.”*

4.1.3 Conclusion

Benete has first internationalized internally before initiating external internationalization. The firm is highly ready to recruit international employees, and the company indeed already employs foreign professionals. The CEO's desire is to increase the number of non-Finnish experts in the future too. Today, the company seems to have somewhat high readiness to enter foreign markets as well. In fact, there seems to be a positive mutual connection between international workforce diversity and firm internationalization in the case of Benete. The connection stems from the following reasons. Firstly, Bäckman highlights that international experts have facilitated the company's service design in various ways, which has led Benete to become more ready to enter international markets (Globaalit Osaajat, n.d.). Secondly, one of the firm's current foreign employees has also facilitated international market research by now. However, apparently the international employees' nationalities have not affected the initial foreign market selection of the firm. Nevertheless, the mentioned connections support the literature regarding international workforce diversity's positive effect on foreign market entrance. Moreover, it seems that in the case of Benete, foreign market entrance can also

have a positive effect on recruiting international talents. The company is planning to enter the market of Denmark, and as a result, Bäckman is considering to recruit a Danish expert in order to potentially facilitate the respective foreign market entry.

4.2 Vaadin

Vaadin is a commercial open-source web framework company that is focused on helping developers to build web applications for end-users (Vaadin Official Website). The company was founded in 2000 and is headquartered in Turku. During 2011 and 2012, the firm expanded to the USA and Germany in order to be closer to its customers (Vaadin Official Website). Hence, nowadays, Vaadin has offices in Turku, Berlin and Silicon Valley. Additionally, individual subcontractors are working remotely in Argentina, Spain, Russia and France. Vaadin's exporting started to be rather significant in 2010, and two years later, over 50 percent of the sales were received from abroad. Nowadays, international sales form 90 percent of the company's whole turnover. Altogether 140 employees are working at Vaadin, and a little over 100 of them are located in Turku. The company's Finnish office has overall 30 different nationalities coming from each continent in the world. All in all, half of the employees located in Finland are foreigners. The international hires have been recruited one by one and 75 percent of them directly from abroad. The said factors make Vaadin a highly multicultural and inclusive work environment while equality is indeed one of the company's values (Vaadin Official Website). Thus, Vaadin seems to showcase how company managers' can turn their international orientation into a company-wide value.

Mikko Inkinen started his career in Nokia at the turn of the millennium. Nokia was a very international company already at that time as it operated in many different countries and employed people outside of Finland too. Accordingly, Inkinen cooperated very closely with different international teams and people. For 10 years, he led two teams that were located in Poland. In between different job roles at Nokia, Inkinen has also worked at another IT company in Beijing, China, in which he was responsible for managing subcontractors' affairs. Furthermore, together with his Finnish and Indian colleagues, he has also been responsible for opening a new office to Turku for an Indian company. Inkinen has worked at Vaadin for the last three years in different project manager assignments. Currently, he works at the product development as a Group Manager of a multicultural team being responsible for all new recruitments. The manager has significant international experience,

and he genuinely seems to enjoy working in a cosmopolitan environment. At Vaadin's YouTube video 'I am a Vaadiner', Inkinen highlights that *"The best thing with Vaadin is our hugely international culture – We have people literally from all around the world."* (vaadinofficial, 2018)

4.2.1 Recruiting International Employees

After referring to the facts that half of Vaadin's employees in Turku are foreigners and 30 different nationalities are present in the Finnish office as the company employs people from each continent in the world, Inkinen underlines that *"Yes I would say that [Vaadin is] one of the most international [companies] there is in Finland."* When looking at the numbers, it is hard to disagree with him.

At Vaadin, five or six different nationalities are typically present in a team of six. Hence, some teams do not even have any Finnish members. These factors depict how multicultural Vaadin is. Inkinen states that many software companies in Finland require Finnish language skills. Conversely, according to him, Vaadin does not have any Finnish requirements, which probably acts as an enabler of having such an international group of employees. Furthermore, Vaadin receives only 10 percent of its turnover from domestic sales. Consequently, Inkinen explains that as Vaadin has only a handful of Finnish customers, it is enough that its employees know English that is the company's only official language, which is the case at Benete as well. Accordingly, over half of the employees at Vaadin cannot speak Finnish, which is probably somewhat unusual among the SMEs located in Finland. Vaadin distributes a recruitment handout for its international applicants in order to draw their attention to Finland and the company. Regarding Vaadin's global presence, it is stated in the handout that *"We speak many languages but English is used for internal communication"* (Vaadin, 2020). The said language matters can indeed be attractive and desirable factors for potential foreign applicants. Moreover, it seems that, the internal and external internationalization levels are well matched at Vaadin. The majority of the firm's customers are international while its workforce is very internationally diverse as well.

There are undoubtedly benefits of having a linguistically diverse workforce from the business perspective too. Accordingly, like Bäckman, Inkinen underlines the benefits of having different nationalities onboard when operating in global business. Besides beneficial cultural knowledge of the internationals, Inkinen highlights that consumers appreciate the

opportunity to get customer service in their own language. *“Since we have 30 nationalities, we can send a professional who speaks the native language of the buyer more or less anywhere in the world, which indeed brings a lot of benefits.”*

The Group Manager Inkinen believes that the Talent Boost survey profile of a Forerunner matches Vaadin’s international position of today. He emphasizes that *“We are probably a pioneer in Finland in terms of these international matters.”* Although Inkinen gives a very strong statement, looking at the statistics regarding how many foreigners from around the world Vaadin employs, it is challenging to come up with counterarguments. Vaadin indeed employs a varied group of people, and the Group Manager highlights that regardless of the employees’ nationalities, Vaadin’s attitude towards international talents is completely open. He states that cultural special features are highlighted instead of aiming to put everyone into the same mold. However, even though Vaadin is a highly multicultural company, when it comes to the firm’s recruitment grounds of international employees, Inkinen underlines that *“Internationality per se is not a key thing for us.”* He further underlines that *“It is not important at all whether an employee is international or domestic or where they are from.”* Hence, Vaadin seems to share the same recruitment mentality with Benete in which the nationality and cultural background of a potential candidate are irrelevant during the recruitment process.

Moreover, Inkinen emphasizes that *“We do not look at people by nationality or background but we look at what you know, what kind of person you are, how well you fit into our culture.”* The company’s YouTube video ‘I am a Vaadiner’ portrays the organization’s multicultural work community through showcasing employees with different cultural backgrounds (vaadinofficial, 2018). Each employee in the video introduces themselves as ‘Vaadiners’ and tells what they think is the best at Vaadin (vaadinofficial, 2018). Since the video presents employees with diverse cultural backgrounds, it gives a welcoming and inclusive impression of Vaadin as a workplace. Furthermore, the company website has a section of ‘The people behind Vaadin’, which displays each employee by their name, picture and position. Only with a brief glimpse, one can already see that the team at Vaadin is highly multicultural. Likewise, the company’s recruitment handout states that the firm has 30 different nationalities and employees from every continent (Vaadin, 2020). These matters highlighting Vaadin as a cosmopolitan company can be appealing for foreign applicants.

Besides the importance of acquiring employees whose personality fits to the firm's work community, the main recruitment ground of Vaadin is based on know-how. Inkinen states that there is a lack of proficient experts within the company's field of business. *"We are at the software industry...in an area where competition is extremely fierce."* The manager explains that if they open a new job position in Turku, they do not necessarily get more than one application from a person who already lives in the city. All other candidates are typically from elsewhere in the world. He points out that *"We look for [applicants] only based on the know-how, and we have very strict criteria."* Inkinen pinpoints that per one hired employee, the recruitment process includes going through approximately 125 applicants before finding the desired expert. *"At that time, it does not matter at all where the person is from in the world."* Similar to Benete and Vaadin, several other case companies' recruitment grounds are also strongly based on skills and competence. Although there are other important recruitment criteria too, it is somewhat self-evident that know-how is one of the primary basis of talent search.

Inkinen states that for historical reasons, the board of directors who are also the founder members are all Finnish. Otherwise, international employees are working at each company level in all kinds of positions from software developers and middle managers to senior vice presidents. Inkinen reveals that Vaadin has just recently hired two new employees who are waiting for the opening of the traveling possibilities regarding the pandemic of COVID-19 in order to move to Finland. One of the new recruits is from the Dominican Republic and the other one comes from Iran. The Group Manager points out that the organization pays for all international recruitments' expenses. Vaadin indeed has a very comprehensive relocation package that is presented in their recruitment handout. To start with, the company welcomes a foreign applicant to visit Turku to get to know the team and the city prior to the candidate's final decision (Vaadin, 2020). Vaadin covers all costs related to moving to Turku as well as the costs regarding visa, work permit and other Finnish bureaucracy and paperwork expenses (Vaadin, 2020). Furthermore, for the first month, the company offers its new international employees a free furnished apartment (Vaadin, 2020). Moreover, Vaadin covers the family members, including spouse and children, too (Vaadin, 2020). I believe not many Finnish SMEs offer such an encompassing relocation package to their novel internationals. For a small start-up, it may not even be possible from the financial perspective.

Since the software industry in general is very international, according to Inkinen, Vaadin has not necessarily had any challenges because of its internationally diverse workforce. He emphasizes that the challenges are mainly related to Finland as a country since Finnish society and the city of Turku are not that attractive to international people. Still, Vaadin aims to highlight the good sides of Finland in its recruitment handout by stating that as per the World Happiness Report, *“Finland has been ranked the happiest country in the world for the second time in a row”* (Vaadin 2020). However, Inkinen acknowledges that *“When you bring a person to Finland from the Caribbean in November when it is raining and it is cold and dark, the situation is culturally somewhat challenging.”* Even the Finnish people complain about the long season of cold and dark, and thus, it is easy to imagine that for non-locals, the situation is even more difficult. The manager points out that many of the company’s international recruits have in fact left the company. Climatic and cultural reasons and because of not finding enough activities outside of the work days have been the rationales why foreigners have taken off Vaadin’s Finnish office. Inkinen also states that *“It is very challenging to make friends and to find activities for the [international] spouse.”* Vaadin aims to some extent help its foreign professionals via organizing different cooking clubs and language courses for example. The firm also offers its experts sports and culture vouchers worth of 400 euros per year (Vaadin, 2020).

The Group Manager highlights that the competition for international experts is extremely intense, and Vaadin competes for the same employees with the USA, Germany and other high-profiled technology countries. Therefore, Inkinen underlines that the main goal should be to brand Finland as a more interesting country for foreigners besides coming up with how Finland could offer more as a society compared to the other nations. He emphasizes that it requires a lot of time and money to get foreign people to move to another country potentially with their families. Accordingly, *“...once we finally get them [international professionals] here...and then if they are not satisfied or they are disappointed in the society and culture here...it is very expensive and time-consuming to send them back.”* Therefore, Inkinen stresses that once the foreigners have entered Finland, the biggest challenge and priority is to successfully integrate them into the country. *“If we could somehow ensure that the foreign professionals integrate better to Finland, it would be a big deal.”* Hence, according to him, making sure that the foreign experts enjoy to live in Finland and that they do not have false expectations about the Finnish culture is extremely important. Still, Finland as a country as

well as Finnish companies both have an important role in ensuring that the aforementioned matters are fulfilled. The burden cannot be carried by one party alone.

When it comes to the essential international leadership skills, Inkinen highlights the importance of taking individuals into account regardless of anyone's cultural background. He also underlines the importance of recognizing that everyone is different. *"It is of course essential to understand that all people are different whether they are from different countries, different cultures, have different lifestyles, different ages, different genders..."* The Group Manager emphasizes that a successful international leader comprehends that personalities and attitudes are more related to individual level matters than to the cultural background per se. He gives an example that an Irish and German person can be very similar whereas a Finn may have a completely different way of thinking compared to the other two. Furthermore, Inkinen pinpoints that the software industry is a rather homogenic community. People are somewhat equivalent as they are technically oriented, have similar education and interests as well as follow alike matters in the world. Thus, Inkinen highlights that for instance the communicational ways are more related to what kind of individual each person is. Hence, the manager emphasizes that a successful leader *"...must be able to find the right way to interact with different people, which is more about human leadership than that of internationalism."*

Like Inkinen, some other company representatives also stress the individual differences more than cultural dissimilarities. It is indeed essential to recognize that not all differences stem from dissimilar cultural backgrounds. Hence, it is important to for example aim to avoid strong stereotyping because not everyone with the same cultural background is identical to one another. However, cultural matters cannot be completely ignored because significant differences really do exist between different cultures.

4.2.2 Entering Foreign Markets

Vaadin's international presence is highlighted on its website through stating that its main sites are located in Finland, Germany and California but the firm serves its clients globally (Vaadin Official Website). *"...we live online and meet with our customers all around the world."* (Vaadin Official Website) Inkinen pinpoints that Vaadin has relatively small operations in Finland and the number of customers in the domestic market is not sufficient. Indeed, only 10 percent of the company's turnover comes from domestic sales. Therefore,

according to Inkinen, it has been a must for Vaadin to enter international markets. Hence, the manager states that *“If you do not expand abroad, you do not have a future in the software industry.”* Inkinen highlights that the company’s all customers, competitors and the whole market is around the world. Therefore, *“...we do not necessarily need to expand further to international markets but we must expand more within the markets where we already are.”* Hence, supposedly, Vaadin’s internationalization aim in the future seem to be related to market penetration rather than to novel foreign market entries to further locations.

Inkinen pinpoints that Vaadin operates in the global software market in which everyone has similar needs and challenges. Yet, he acknowledges that there are naturally certain special cultural features, and the end user point of view has to be taken into account. The Group Manager gives an example that in the European countries, people read from left to right whereas in the Arabic nations, it is vice versa, which affects the user interfaces. *“Therefore, we must develop our product so that it works properly in a certain culture.”* It is interesting that Inkinen gives a concrete example of how Vaadin implements localization in which their product is adapted to meet the cultural requirements of a specific target market. It is reasonable to believe that the international professionals of Vaadin are able to interpret local market needs and feed them into the firm’s product development.

According to Inkinen, the biggest challenge of entering foreign markets is related to the company’s own product, specifically regarding its competitiveness and marketing as well as building brand awareness around the world. Nevertheless, he states that *“I do not necessarily see that the international aspect has that many challenges...since in principle, we are already in the global markets, and we are not connected to Finland alone.”* Hence, he comments that *“It is not really a challenge, just normal business.”* The Group Manager believes that overcoming the aforementioned demands is all in their own hands. He explains that Vaadin develops its product all the time and the company’s marketing works towards increased brand awareness, which are all part of normal product development and sales.

Inkinen praises as follows: *“I do not think that many companies have taken multiculturalism and international markets et cetera as far as we have.”* Regarding Vaadin’s future international direction, the Group Manager highlights that they do not have any plan to reduce their global operations. Hence, he concludes that Vaadin will continue along the very same line. Vaadin seems to be an exemplary company of a Finnish SME that has succeeded

globally with such strong international emphasis. Moreover, the Group Manager underlines that in the software industry, companies must improve on a constant basis. Hence, he assures that Vaadin invests significantly in product development and aims to ensure that their product remains competitive. Indeed, being too satisfied with the current circumstances can be risky, especially considering the harsh global competition of today. Hence, in order to stay in the successful path, aiming to improve constantly is recommended.

4.2.3 Conclusion

Vaadin is extremely ready to recruit international professionals, and the company has indeed already proven its readiness through employing a vast number of foreign experts. The firm internationalization readiness has also already been achieved within the firm. Today, the company has somewhat extensive international operations and its future aim is to implement further market penetration within the existing international markets. Hence, it seems that, the internal and external internationalization are well matched at Vaadin. The majority of the firm's customers are international while its workforce is very internationally diverse as well. As a globally operating company, Vaadin benefits from its international professionals specifically from the culture and language perspectives. The benefits are related to the already existing international operations, and hence, foreign employees seem to have a positive effect on the current firm internationalization status of the company.

4.3 Genelec

Genelec is an SME that designs and produces high-quality active loudspeakers. The company is the industry leader in its core business of professional audio monitors (Genelec Official Website). Genelec was founded in 1978 and is headquartered in Iisalmi. The firm has internationalized right from its foundation, which means that Genelec is an example of a born global. Genelec has always been driven by an extensive worldview utilizing the whole world as a source of not merely sales but also inspiration (Kettunen, 2018). Marketing and sales have always been international whereas product development and production are located in Finland. Subsidiaries of Genelec Inc., Beijing Genelec Audio and Genelec Japan Inc. have been respectively established in (1) Massachusetts, the USA, (2) Tokyo, Japan and (3) Beijing, China (Genelec Official Website). Additionally, Genelec has an office in Sweden and Denmark (Genelec Official Website). The company has around 100 importers and a distributor network in 80 different countries meaning that its products are offered

worldwide. International sales form 80 percent of the firm's whole turnover. Genelec employs altogether around 200 people, 165 of them in Finland, out of which 40 percent are foreigners. All foreign employees have been recruited one by one and most of them directly from abroad through an internship. In Genelec's book that compiles the company's 40-year story between 1978 and 2018, Naghian acknowledges that Genelec's history consists of enormous amount of work, hard choices, huge success and once in a while also failures (Kettunen, 2018).

The CEO of Genelec, Siamāk Naghian, was born in Iran. After finishing high school in his home country, he moved to study in an international university in Turkey, Ankara for 1,5 years. Naghian ended up in Finland by a coincidence once he had applied to different universities in the world. He studied physics in the University of Jyväskylä for a year before getting into the Helsinki University of Technology. Naghian has completed a master of science in technology degree, received a licentiate and defended a doctorate as well. He has also studied Finnish, and as of today, he is a fluent Finnish speaker. While still studying, Naghian started to work for Nokia in the mobile system operations. He worked in the company until 2005. One day, he accidentally found out that the other founder of Genelec was about to retire, and the firm was looking for an R&D director. He applied, got hired and is the company CEO of today. Siamāk Naghian has an international background both through his personal as well as working life. He possesses a global mindset through seeing the world without country borders. *"On my behalf, the borders could be taken away."* The CEO indeed enjoys working with people around the world. He believes that *"Learning about different cultures widens one's horizons."*

4.3.1 Recruiting International Employees

Being an immigrant himself, the CEO of Genelec praises that the company has an excellent attitude towards international talents. Naghian describes that they have a very good corporate culture and a fantastic work community that is culturally very colorful. *"Our company and its operational environment is very international."* Like other case companies of this study, Genelec also received the profile of a forerunner from the Talent Boost survey. The CEO thinks that the profile matches with Genelec's current international position very well because the issues raised in the survey are already well-established practices in the company. Since Naghian is originally not from Finland but has moved here to study and stayed in the

country to work, it would be somewhat odd if he did not have an open attitude towards other foreign experts.

Like the previous two managers of Benete and Vaadin, the CEO of Genelec also highlights that the nationality of an applicant, whether a candidate is from Finland or abroad, is indeed indifferent when recruiting new employees to Genelec. He underlines that *“It does not matter whether the job applicant is from China, Japan, the USA or Finland.”* Interestingly, Genelec has also tried blind recruitment in which the applicants’ gender, age and ethnic background were removed from the applications (Korhonen, 2019). Naghian got the idea from a newspaper article that told about a case in which 50 job applications with Roma names did not lead to an interview (Korhonen, 2019). The CEO states that blind recruitment taught a lot and they will do it again (Korhonen, 2019), which showcases his humble attitude. Despite the clear need for blind recruitments especially considering the discriminatory aspect, I believe that not very many company managers are ready to try out the recruitment policy. Thus, Naghian is an exemplary CEO in that sense.

According to Naghian, what matters in recruitment is whether the candidate really thinks that the job at Genelec is what they want to do for living. For him, it is beyond important to recruit candidates who are genuinely eager to do the exact job. *“It harms both the employee as well as the company if an employee is involuntarily or only temporarily doing the job.”* Thus, Naghian does not only consider his company but also what is best for the employees and potential candidates. The CEO states that Genelec is a pioneer in its own industry and the company’s aim is to indeed innovate constantly. Therefore, Naghian highlights the importance of enthusiasm among the company’s employees. Furthermore, he underlines that social and professional skills as well as possessing the right attitude and expectations about the job and the company are essential. Moreover, Naghian emphasizes that specifically in international recruitments, it is very important to understand that applicants can have dissimilar expectations and motivational factors. Thus, calibrating with cultural understanding and differences are in a key role when recruiting international professionals. Naghian explains that it is important to understand that when a manager asks about a certain skill level from a Finnish candidate versus from an American applicant, even if they both have similar competence levels, the candidates’ answers will probably differ. *“Even if a Finnish person is highly-skilled, they are likely to downgrade the actual skill level whereas a person from another culture might actually upgrade the genuine truth.”* The practical

example demonstrates the CEO's understanding of cultural differences, which is important in international recruitments in order to prevent potential misalignments.

International employees are working in very different functions at Genelec, which further highlights the company's openness towards international talents. At least 80 percent of the employees at marketing and sales are foreigners. Genelec's management and product development teams also have international members whereas more locals are working at the production side that is located in Finland only. The said needs to be managed carefully in order to avoid the development of 'us versus them' -culture. Naghian emphasizes that an international network is absolutely the number one benefit of having foreign employees at Genelec. *"If the desire is to be international, it is a must to have international doers onboard."* Hence, it seems that as per Naghian, the main benefit is actually also a must. Furthermore, the CEO highlights the preciousness of cultural competence and diversity, which are gained through the company's international workforce. According to Naghian, building harmony through diversity can be extremely enriching, increase innovativeness and open up the world's horizons. Then, *"You do not only think about what is happening in Iisalmi, but also what is happening in Tokyo for example."* For an internationally operating company, like Genelec, it is indeed favorable, and even a prerequisite, to stay knowledgeable and follow what is happening around the world in order to be able to react accordingly.

The CEO explains that when they open up a new job position, they receive applications around the world (Korhonen, 2019). The firm advertises its open job positions both in English and Finnish (Genelec Official Website). Like Vaadin, Genelec also competes for the best experts with Silicon Valley and other world metropolitan cities (Korhonen, 2019). Yet, in that competition, Iisalmi is not the most luminous, and Naghian acknowledges that the location of Iisalmi indeed brings with it a difficulty factor because settling in Iisalmi is not suitable for everyone (Korhonen, 2019). Hence, Naghian shares the same thought with the Group Manager of Vaadin who refers to the unattractiveness of Turku. Furthermore, like Inkinen, Naghian also criticizes that Finland does not have proper immigration policies although Finland needs new employees and it is a must to know how to integrate them (Korhonen, 2019). Hence, it seems that the CEO of Genelec also considers that the main challenges are more related to Finland as a country rather than to the international employees themselves.

Consequently, referring to the potential challenges of an internationally diverse workforce, like Inkinen from Vaadin, the CEO of Genelec also acknowledges that people from the same cultural background can have conflicts with each other as well as. Thus, challenges do not always stem from cultural differences. Furthermore, Naghian highlights that always speaking a language that everyone understands is underlined at Genelec. Even if there is only one person who does not speak Finnish in a large group of Finnish speakers, switching the language into English should be a natural choice by everyone. However, although it should, having a common language policy is not self-evident in every multilingual Finnish company. Thus, Naghian's clear and committed approach of sharing a common language as the company CEO is to be appreciated. Furthermore, Naghian pinpoints that a prerequisite of a firm that wants to operate internationally is to have a strong organizational culture and global mindset. He states that a corporate culture that is based on an international mindset can indeed help to overcome the possible challenges.

Moreover, the CEO highlights the importance of empathy and ability to put oneself in someone else's position. As having an immigrant background himself, Naghian indeed knows what it is like to move away from one's home country. He even recalls how something essential was lost while leaving his family and home in Iran (Genelec Official Website). Based on his own experience, Naghian explains that when one leaves their home country and family, one even builds a new identity whilst adapting to the new situation (Genelec Official Website). He emphasizes that it is particularly the people whom one meets during the path that are important (Genelec Official Website). As Naghian has personal experience of being a foreigner in a new country, he can genuinely empathize with the internationals at Genelec, which can potentially even lead to increased integration of the company's foreign professionals.

According to the CEO, a good and successful manager of an internationally diverse workforce has an international mindset and sees the world as a whole. He also emphasizes the importance of intercultural communication and social skills as well as the ability to operate in a multicultural environment. Naghian highlights that having a genuine interest to understand people as well as to relate to and treat each employee equally regardless of their nationalities is essential for an international leader. Ensuring that a common language exists within the organization is also the responsibility of a manager, which is indeed fulfilled at Genelec. Naghian also underlines that trust building is extremely important especially when

operating internationally in a remote environment. He explains that when the leader does not physically sit with everyone on a daily basis, building trust and communicating honestly have even more critical roles. Everyone must feel to be part of the same organization whereas no one should feel that they are left outside, and the leader has a vital role in ensuring that. Many of the said characteristics seem to fit Naghian as has been highlighted above.

4.3.2 Entering Foreign Markets

Although being very successful today, Genelec has also gone through hard times. During the first ten years, the company was in fact struggling to stay alive (Genelec Official Website). Despite the difficult times in the beginning, Genelec's share of export has increased somewhat rapidly. In 1980, exporting formed 20 percent of the whole turnover whereas already by 1984, the share was 80 percent (Kettunen, 2018). By 1990s, the exporting percentage was as high as 95, and in 2000s, it settled to 90 (Kettunen, 2018). During the first years of 2000s, although once fully unknown, Genelec had achieved the position of a market leader (Kettunen, 2018). The said numbers also support the CEO's statement that *"In principle, Genelec is an exporting company."* There is certainly no company in the world that has not had any challenges. Hence, it is great that although Naghian is clearly very proud of Genelec's success, he also acknowledges that it has not always been an easy journey.

The CEO highlights that Genelec is one of the rare Finnish companies that is such international and has achieved so great opportunities. The international success has not been achieved only through figures but also via building international operations and culture. The industry in which Genelec is operating is also very international, and therefore, Naghian could not consider any reason why Genelec would not follow the industry stream. Accordingly, the CEO sees that the company's international position and direction in the future is *"Absolutely brilliant."*, which is a brave statement despite the company's successfulness thus far. *"The benefit [of entering foreign markets] is that we even exist in the first place."* Similar to the reasoning behind Vaadin's internationalization, Naghian explains that the market in Finland is simply not enough since 80 percent of the company's turnover comes from abroad. Hence, the CEO states that it would not have been possible for Genelec to become a worldwide pioneer through only staying in the domestic market. Therefore, international operations and entering foreign markets has been essential for the firm. Challenging the CEO's statements is not an easy job.

Genelec has always aimed to build a global distribution network (Kettunen, 2018). The Founder of Genelec, late Ilpo Martikainen, highlighted that for the company, qualified distributors are equally essential as their own personnel (Kettunen, 2018), which is reasonable considering the fact that Genelec is heavily dependent on exporting. Yet, according to Martikainen, for an unknown firm, one of the biggest challenges was indeed to find competent distributors (Tulosuunta, 1989 cited in Kettunen, 2018: 40), which is what Naghian also highlights during the interview. Still, as of today, the CEO applauds that *"We have an enormous distribution channel in different parts of the world."* However, he acknowledges that once the channel has been built, it is also challenging to manage it. Nevertheless, Naghian highlights that it is exactly people who have been the key in building Genelec as a company. Indeed, he emphasizes that international doers and an international network have helped the firm to overcome the challenges of entering to and operating in foreign markets.

Accordingly, Naghian emphasizes that the main resource that Genelec needs in order to succeed in international markets is people who can operate internationally. Naghian stresses that cultural competence including intercultural communication skills and cultural understanding is extremely important when working with foreign people. It is essential to understand why people behave the way they do and how one should behave in a foreign country. Hence, the CEO pinpoints that a successful seller is genuinely interested in the culture, society and people of the respective target market. Aiming to understand the mentality and having knowledge of the practices and policies of a specific culture are vital in order to successfully sell a product or service there. *"A salesperson cannot directly go to Japan to sell a product, the vendor must get to know the culture and history of the country first."*

Genelec's Executive Director points out that several firms suppose that they have to completely change when entering new international markets. Yet, Naghian does not support that idea but emphasizes that in order to succeed internationally, a company must have a strong brand identity that is consciously built. He highlights the importance of retaining uniqueness. Hence, according to the CEO, internationalization is actually related to building and developing the firm's own identity. Moreover, the CEO highlights that a basic requirement for an internationalizing company manager is to have a genuine interest and

desire that the organization becomes international. Naghian emphasizes that the company owners are the ones who have the power to decide what kind of firm they want to build. Thus, according to him, if the desire is to establish an international organization, the operational managers must have a shared mindset and will to actually do it. *“It is not easy, flexibility is required, more work needs to be done, one has to travel more as well as facilitate with a jetlag and time differences.”* Therefore, Naghian underlines that it is very important that the leaders’ intention is to build and develop international business in order to succeed in it, which is a rational statement.

4.3.3 Conclusion

Genelec is highly ready to recruit international professionals as well as to enter foreign markets. The company has indeed already successfully fulfilled both matters. Genelec is a born global that has internationalized right from its foundation. It is an exporting company being highly dependent on international sales. Today, 40 percent of the company’s employees are foreigners, and Genelec has even executed blind recruitments, which further highlights the firm’s genuine aim to be open towards all nationalities. The company CEO explicitly underlines that foreign professionals have facilitated the firm internationalization because of their international networks and cultural competence. International personnel is even indeed one of the main required resources for Genelec’s success on international markets. Therefore, in the case of Genelec, foreign employees have a positive connection on firm internationalization giving support to the literature.

4.4 Sensible 4

Sensible 4 is a young technology start-up offering software and self-driving solutions to automotive suppliers, vehicle manufacturers, mobility operators and cities (Sensible 4 Official Website). The company’s solution is based on a software technology that enables autonomous vehicles to function safely in all weather conditions and environments around the year (Sensible 4 Official Website). The company was founded in 2017 and is headquartered in Espoo. Sensible 4 employs 57 employees out of which 18 are foreigners. Altogether 16 different nationalities are present in the firm making it a multicultural workplace. The company has had international employees and international activities from the very beginning, which means that like Genelec, Sensible 4 is also a born global. In 2019, international sales formed 70 percent of the whole turnover. The company does not have any

foreign subsidiaries, but one person is located in Denmark, and a business development director is working in Tokyo in order to acquire customers from the Asian market. Sensible 4 cooperates closely with other international companies, such as with MUJI and Toyota Motor Europe (Sensible 4 Official Website), and the firm seems to be eager to internationalize further. The company's goal is indeed to bring autonomous solutions to the whole world (Sensible 4 Official Website).

Nina Koski works as a HR Manager at Sensible 4. Prior to her current job position, Koski has worked in a small Finnish company that also has a branch office in the Netherlands. Hence, besides Finnish coworkers, Koski had Dutch colleagues as well, and the organizational language was English. Still, she considers that working at Sensible 4 is her biggest international experience thus far. The HR Manager finds it pleasant to meet people from different cultures and to familiarize herself with different working ways across the world. Koski indeed has a very open-minded attitude towards international people. *“Even though Finland is a country of technology, it does not mean that only us Finns have something to give there.”*

4.4.1 Recruiting International Employees

The HR Manager Nina Koski describes that the attitude and atmosphere that Sensible 4 has towards international professionals is *“Really open, really appreciative, respectful and open-minded.”* Koski believes that at Sensible 4, the positive attitude towards international experts stems mainly from the company's four founders, although they are all Finnish. Internationality has always been present in the founders' personal lives and careers, which has led them to become very open towards foreign matters. As per the HR Manager, the founders deny the idea that Finnish people would always be superior to others. Thus, they acknowledge that recruiting only Finnish employees is not the ideal way to move forward. The company managers indeed have the power to choose the mindset of their firm, and hence, it is great that the founders' tolerant attitude is recognized throughout Sensible 4. Koski states that the Talent Boost profile of a forerunner *“...corresponds well to the state of our company in relation to many other firms. We are well equipped to hire international employees because the communication and tools are in English and the attitude and atmosphere are open.”*

When it comes to the recruitment grounds of international employees, Koski states that *"Well, in fact, we have such a basic principle that we do not care at all about from which country an applicant is from when we start to go through the applications, but we look at who matches with our need the best."* However, Koski acknowledges that sometimes if the company has a prompt need for a new employee, they try to look whether it is possible to find a candidate somewhat closer to Finland in order to facilitate the recruitment process. It would be desirable that Finland had such permit policies that do not pose any discriminatory factors between different nationals. Still, Koski highlights that *"It is great how we prioritize the know-how – we simply want to hire the right person."* The company's recruitment philosophy indeed strongly prioritizes the know-how as Sensible 4 has for example recruited a blind person. I believe that is somewhat unique. Even though not all organizational systems necessarily support people who cannot see, and thus the blind employee needs more assistance in certain matters, Koski emphasizes that *"...we just don't mind about it...since the main point is the person's know-how."*

Sensible 4's privacy policy and statement has a separate section of 'Equal Opportunities', which states that the firm is an employer of equal opportunities complying with Finnish law of government on non-discrimination and equality (Sensible 4, n.d.). The statement affirms that information about a job applicant's ethnic origin, culture and sex is exclusively used for observing the effectiveness of the firm's policy of equal opportunities (Sensible 4, n.d.). Similar to the blind recruitment practice that Genelec has tried out, the policy of Sensible 4 also aims to guarantee inclusiveness.

The HR Manager highlights that the biggest benefit of international professionals is the diversity that stems from different educational backgrounds and viewpoints as well as variety of experiences. She underlines that diversity is valuable especially in the area of software development. Koski doubts that the development work does not lead to the best outcome if the company employs a very homogenic group of only Finnish people from Finnish schools. It is indeed proven that higher diversity tends to lead to increased innovativeness. Accordingly, all positions at software development, sales and marketing are eligible for international employees at Sensible 4. Koski states that only those positions that require knowledge of Finnish legislation and abilities to work with Finnish partners in Finnish are somewhat more challenging and not necessarily possible options for

international people. The manager reasons that working in English with all cooperation partners may not support the company in getting the best and fastest service.

Koski envisions that the biggest challenges of having international professionals could actually be related to what it is like to work and live in Finland as a foreigner, which is what the Group Manager of Vaadin also emphasizes. Koski ponders whether the firm can for example successfully but realistically communicate the important matters to foreign employees based on why they choose to move to Finland to work. She highlights the importance of realistic communication in order to avoid a situation in which a company has recruited a number of employees from abroad but then after two years, the foreign professionals leave because they could not think what it is like to live in Finland in reality. Sensible 4 is in fact currently looking for a safety engineer to join their team (Sensible 4 Official Website). The job advertisement has an 'About Finland' section starting as *"Are you not from Finland? No worries, we are an international team and our working language is English"*. Besides honestly stating that during the winter season, Finland might be a cold and dark place, the ad also refers to Finland as one of the safest and most peaceful country that has been ranked as the world's happiest nation to live in. Hence, the company seems to have a strong aim to attract foreign experts to increase its international workforce diversity.

The HR Manager has been somewhat frustrated about how a small company could make the everyday life easier for a person who has moved to Finland from abroad. She gives an example that when a foreigner asks for her advice where to find an apartment, most of the Finnish brokerage websites do not have an English version. She criticizes that the websites regarding occupational health care are also only in Finnish, which is indeed alarming. Koski further explains that the office of Sensible 4 is located in Espoo but she has never lived there, and thus, she is not familiar with the city. However, she is the one who is responsible for advising the new employees regarding the infrastructure in Espoo, which has been demanding because of not being familiar with the area herself. Furthermore, Koski explains that *"There are a number of different websites regarding the visa application process and Enter Finland is a pretty good service, but from the employer's point of view, it is not 100 percent clear what the steps 1, 2 and 3 are, which must be completed when a visa is applied for."* Therefore, Koski longs for more clear and simple instructions and procedures regarding the Finnish permit processes too.

Even though there are already some websites about what it is like to live in Finland, the manager would desire that there were more information about the Finnish working culture as well as more support available for foreigners moving to Finland. *"We have to improve a lot as a society in order to facilitate these actions."* On the other hand, Koski states that without knowing about the situations in other countries, she believes that these matters function somewhat well in Finland. *"I could imagine that we are not the most underdeveloped regarding these issues in Finland after all."* It would definitely be interesting to compare different countries regarding how well the policies concerning foreigners are implemented.

The HR Manager highlights that a successful leader of an internationally diverse workforce has good interaction skills and cultural competence besides understanding cultural differences when it comes to the employees' expectations and customs at work. As per Koski, an international leader acknowledges that despite cultural differences, foreigners are not any inferior to their domestic colleagues. Koski recognizes that not all Finnish firms are equipped with such positive attitude towards international professionals. She states that commonly the main problems among Finnish companies stem from prejudices and the fact that all operations towards the customers and personnel are only in Finnish. It is commonly considered that it is easier to stick with the Finnish language. Yet, the manager emphasizes that if all instructions, communication and materials are in Finnish, it makes it extremely challenging to engage foreign employees. Still, Koski underlines that those firms do not take into account the potential of the international employees in developing the companies further. Yet, there are after all already many companies in Finland operating in English. Hence, the arguments behind the language matters are somewhat light excuses.

4.4.2 Entering Foreign Markets

Sensible 4's current markets are located in China, Japan, Singapore, United Arab Emirates, Germany and Sweden (Business Finland, 2020b). Furthermore, in collaboration with three other international tech companies, Sensible 4's aim is to introduce new autonomous service in Oslo, Norway (Sauliala, 2020). Sensible 4 and MUJI's collaborative solution of a self-driving shuttle bus, GACHA, has already raised significant interest in the Japanese market, and today, Sensible 4 is in fact a well-known brand in Japan (Sensible 4 Official Website). The company's goal is indeed to introduce the GACHA busses to the markets of Japan and China by the end of this year (Sensible 4 Official Website). Moreover, in February 2020,

Sensible 4 raised around 6.3 million euros from Japanese tech investors' funding round (Sensible 4 Official Website; Tucker, 2020). The fund supports the firm to expand across Asia and Europe (Sensible 4 Official Website; Tucker, 2020). Accordingly, the start-up surely seems to be heavily focusing on the Asian, specifically on Japanese, market. Besides an English version, the company websites are in fact also in Japanese, and the firm has even released a marketing video completely in Japanese on its YouTube channel as well (Sensible 4, 2020). Hence, although Sensible 4 is still a very young start-up firm, it certainly seems to have a great ongoing hustle in developing and internationalizing further.

The HR Manager Koski indeed highlights that the company is already very international and she believes that their future international position will grow further. However, she states that internationality per se is not an absolute value as a target as such. Yet, the manager considers that in order to achieve the goals that Sensible 4 has set, internationality comes along reaching them. Koski emphasizes that for Sensible 4, the biggest benefits of entering foreign markets is business growth as well as the possibility to contact new potential customers to whom the company's solutions can be offered. Yet, the manager acknowledges that even though everything at Sensible 4 has gone very well thus far, internationalization might not always be that rosy. Koski states that finding the right people and networks are perhaps some of the main challenges of internationalization. She adds that for a growing start-up, another challenge is getting the needed support when entering overseas. The HR Manager is wondering whether the support must be bought from a consultancy firm as an expensive outsourcing service or if there could be a Finnish institution that would help local companies in the practical matters when expanding overseas. Hence, it seems that not all Finnish managers are aware of the services that for example Business Finland offers for Finnish companies going global. Still, as a HR Manager, Koski is perhaps specialized more in the international recruitments rather than on the firm internationalization aspect.

Nevertheless, similar to the CEOs' of Benete and Genelec, the very first thing that comes to Koski's mind regarding the required resources to succeed in international markets is people. *"...people who know the markets and customs...and people who have networks."* She emphasizes that the best way to ensure that they understand the needs of international customers and cooperation partners is to employ the best experts in the field. *"...precisely hiring so skillful people who provide the knowledge for us."* Indeed, Koski underlines that successful managers of internationalizing companies recognize that they are not specialists

in all fields and do not always have the right answers themselves. Thus, she highlights that a leader of an organization that aims to expand their international operations is humble and ensures that they have a team of skillful professionals who possess the required know-how. It is somewhat exceptional how much emphasis Koski puts on the recruited team rather than to the specific managerial characteristics highlighting that not everything is dependent on the managers after all.

4.4.3 Conclusion

Like Genelec, Sensible4 is a born global having a strong focus on international markets since its foundation, which indicates the company's high internationalization readiness. Employing altogether 18 foreigners with 16 different nationalities, Sensible 4 is already a multicultural firm and clearly ready to recruit foreign professionals. The company even consciously aims to act as a non-discriminatory employer providing equal opportunities regardless of the applicants' personal features. Although the international nor foreign aspect is not explicitly mentioned, it still seems that in the case of Sensible 4, internationally competent people are the most important resources when entering foreign markets. The statement referring to the people who know the markets and customs as essential resources indicates the importance of having internationally skilled employees onboard. Yet, the potential positive connection of an internationally diverse workforce to firm internationalization remains somewhat vague. Perhaps the underlining reason here is that as an HR Manager, the company representative has more expertise in internal internationalization and may not be able to connect it to the external one that well.

4.5 Adventure Club

Adventure Club is a design and innovation studio founded in 2014 and headquartered in Helsinki (Adventure Club Official Website). The firm helps others to build successful digital services through business thinking, experiments and human-centered design (Adventure Club Official Website). Besides Helsinki and Turku, the company has offices in Berlin, Germany and Amsterdam, the Netherlands. Customers and sales are acquired in many other countries as well. Adventure Club has been part of international projects since its foundation, and international sales form 20 percent of the company's whole turnover. The organization employs altogether 48 people; 25 in Finland, 20 in the Netherlands and three in Germany. Five of the employees in Finland, two of the employees in Germany and 15 of the employees

in the Netherlands are foreigners. Adventure Club's approach seems to be world-oriented as its goal is to improve the globe through creating meaningful products via caring about the environment, society and people (Adventure Club Official Website; Adventure Club, n.d.).

The CEO of Adventure Club, Kimmo Timonen, has gained international work experience throughout the past 20 years of his career. In principle, all of his work assignments have been related to advancing international business with an aim to export a service or product at least partly to international markets. To mention a few, Timonen has for example been part of seeking international service providers to Finland, productizing international management system services, exporting software systems from Finland to abroad as well as making international sales to South Korea, Japan and the USA. He has also gained experience of nearshoring and offshoring operations. Furthermore, prior to his current position as an Executive Director, he has been a team leader as well as a business unit manager leading multicultural employees and international teams located in Czechoslovakia and India. At Timonen's latest job assignment, around 40 percent of his colleagues have an international background. Timonen has exported his business to a few different countries in addition to setting up subsidiaries abroad in which almost all employees are non-Finnish. Hence, it seems that the varied international experiences have led him to acquire a world-oriented global business mindset with an aim to improve our globe. On Adventure Club's Instagram account, Timonen highlights that *"We believe in the business of doing good while doing good business..."* (adventureclub.io, 2020)

4.5.1 Recruiting International Employees

The CEO of Adventure Club, Kimmo Timonen, considers that the profile a forerunner from the Talent Boost survey strengthened the sentiment that his company has the right mindset and that they have indeed taken steps towards the right way. *"We already have a mindset in principle that this business cannot be done with resources and know-how that exists only in Finland."* As per the CEO, the intention is to probably take more and brisker international steps in the near future. Yet, Timonen acknowledges that there is still room for learning more about international business, the challenges of different markets, cultural matters as well as about the diversity brought by cooperating with smart and innovative people. Hence, the CEO has a humble attitude as he perceives that his company's mindset is perhaps already that of a forerunner but there is still a long way to go before he could state that Adventure Club is a Talent Boost pioneer in any way.

According to the CEO, Adventure Club's recruitment grounds of international employees are based on the level of know-how, which is what Bäckman from Benete, Inkinen from Vaadin as well as Koski from Sensible 4 also highlight. Timonen considers that it has sometimes been challenging to find good enough Finnish candidates, which interestingly differs from the reasonings behind other interviewed managers. Yet, he emphasizes that the aim is *"In fact not to look at whether they [the candidates] are Finnish, but in general, to seek the best talent for the role at hand."* Timonen regards that it has often seemed that international candidates have more to offer and that their way of thinking is wider than that of the Finns. He further explains that international people have typically had more international experience compared to Finnish candidates with similar job experience. Hence, it has been easy to continue discussions with the international applicants, which, like in the case of Benete, in fact showcases positive discrimination towards foreign candidates.

Adventure Club employs many international programmers and designers. The foreign experts located in Finland have either been hired directly from abroad or they have already lived in the country during the recruitment process. Some of the internationals have for example studied in Finland and then stayed here to work. Moreover, Timonen points out that *"We have even hired a foreign HR person."* He reasons as follows: *"Not that we could not have found an equivalent from Finland but we decided that we want to increase the international flavor via seeking for an international HR [professional]."* The said is probably very unusual and brave.

Regarding the biggest benefits of having an internationally diverse workforce, Timonen highlights that international people bring a wide range of know-how and can find openminded solutions, which is what Koski from Sensible 4 also indicates. The CEO underlines that *"Breaking formulas has been a treasure."* He further explains that when dealing with internationally or globally operating companies, taking a so-called helicopter perspective from the ordinary is significantly easier when the international hires have experience from a number of different countries. He reasons that foreign employees' cultural backgrounds are richer compared to those individuals who have only lived and worked in Finland and received a Finnish education.

Hence, as per Timonen, they have been able to benefit from the internationals' knowledge and perspectives, which is what Bäckman from Benete emphasizes too. Adventure Club's

Instagram account also portrays the company's team days, workshops and PechaKucha presentations showcasing the team's creativeness and open-mindedness together. Moreover, Timonen prospects that there will be an increasing need for further international employees in the future since the upcoming aim of Adventure Club is to serve customers around the world. Thus, in this matter, the CEOs of Benete and Adventure Club share similar thoughts. It is interesting that they do not only support earlier research's notion that foreign employees can have a positive effect on firm internationalization but also that foreign market entry can potentially lead to increased international workforce diversity.

Combining the Finnish working time legislation of operating from nine to five and the opportunities of a creative industry that does not necessarily follow the working hours similarly has been challenging at Adventure Club as per the company CEO. Timonen considers that it has also been demanding to build a coherent company culture around the Finnish way of working while every new employee has brought a piece of their cultural background to the small company. *"We have also practiced the best policies together in which the individuals' cultural background as well as way of thinking and working are matched with diverse customers' desires for the service."* Timonen states that it has clearly required and will require a lot of work in the future to harmonize the aforementioned matters. However, the CEO does not explicitly state that those factors would have been a challenge per se. Instead, it merely requires some practicing. Nevertheless, it is great that he could openly also discuss about the more difficult matters rather than only focusing on the positive sides. Timonen emphasizes that setting common goals and agreeing on the job roles have helped to overcome the aforementioned issues. He also highlights the importance of learning from experiences and avoiding making any presumptions.

The CEO highlights that a successful manager who has subordinates in different countries aims to focus on creating good team dynamics in each region. He reasons that formulating good regional teams often results in a group that drives sales. In order to form such teams, it is essential to recruit employees who get excited about the company's story, vision and purpose, which is what the CEO of Genelec also emphasizes. Timonen identifies cross-country collaboration, building and expanding networks both internally and externally, developing oneself and the business as well as creating positive competition as important features for an international leader. He considers that one of the main reasons why some Finnish SMEs struggle to recruit international professionals stems from the company leaders

who perceive international recruitments as challenging. Those managers may not be familiar with intercultural matters because of not necessarily having that much international experiences, which can have a negative effect on hiring foreigners.

The CEO underlines that it is already challenging to find desired candidates per se. When the recruitment also includes an international aspect with different cultural matters, it can lead to increased challenges especially for a leader who is not experienced with different cultures. Thus, Timonen understands that for some it can seem to be simpler to stick with the familiar Finnish candidates in order to maximize the possibilities to succeed in the recruitment process that is already risky itself. Hence, he acknowledges that recruiting foreign experts for Finnish job assignments in Finland can indeed be challenging.

However, Timonen points out that the other side of the coin of not recruiting international professionals is certainly losing a great opportunity to develop business operations forward more naturally in an international environment. Hence, if the aim is to export a service to foreign markets abroad, the CEO strongly encourages companies to recruit international employees. He highlights that internationals' cultural background can open new possibilities that few Finnish people can offer. Timonen reasons that foreign professionals typically have essential knowledge of the legislation and customers of the corresponding countries and target markets. The Managing Director emphasizes that recruiting international talents can even lead to significant development of the whole business. Consequently, the CEO of Adventure Club indeed seems to stress the potential positive effects that international professionals can have on firm internationalization.

4.5.2 Entering Foreign Markets

According to the CEO Timonen, the industry in which Adventure Club operates and the customers that the company serves are fundamentally very international. Therefore, Timonen highlights that *"...not growing nor internationalizing more would probably mean that we could not serve the customers as well as we are today."* Adventure Club has already experienced a small scratch of internationalization. The CEO is confident that they could serve even more customers if they would be located in a wider geographical scope. Yet, he also points out that being more international and operating on a larger scale would probably lead to more diverse challenges. Hence, Timonen underlines that having even more nationalities in the company would then be beneficial in solving the intercontinental

problems. Accordingly, the CEO indeed seems to be convinced that internationally diverse personnel can have a positive influence on firm internationalization.

Consequently, when it comes to the required resources to succeed in international markets, Timonen highlights that *"We particularly need internationally qualified designers who have already proved that they have skills to develop and plan such services...that customers can separate from those of the competitors'."* He highlights the importance of having high-class doers who can advance and accept the development path that is offered to them. The CEO emphasizes that Adventure Club needs people who can keep the company and its operations profitable. He underlines that *"Above all, [we need people with] the ability to continuously learn new and develop the activities forward, which seems to be everyone's challenge."* Hence, similar to the managers of Genelec and Sensible 4, Timonen also strongly emphasizes the importance of competent personnel when operating on an international scale.

Interestingly, the CEO emphasizes that one of the biggest benefits of entering foreign markets for Adventure Club is reaching a significantly wider group of professionals. Timonen explains that they have entered such markets that have a number of design experts whereas it is challenging to recruit design professionals from the Finnish recruitment market. Hence, as per the CEO, through entering foreign countries, the firm has been able to reach and recruit desirable professionals from abroad, which gives support to the possibility that firm internationalization can in fact also have a positive effect on international workforce diversity. Furthermore, he highlights that through the international employees, Adventure Club has also been able to expand its customer portfolio and offer services to significantly bigger company clients in new countries. He considers that those bigger organizations are typically many steps ahead of Finnish firms in the design industry, and thus, having them as customers has developed the operations of Adventure Club too. Therefore, Timonen summarizes that his company has developed forward thanks to the foreign experts as well as customers acquired through them.

As per Timonen, especially for a small unknown company, the main challenges of entering international markets are building brand awareness and credibility. He states that gaining the first customers, taking good care of them and increasing their number in order to acquire the credibility is demanding. The Managing Director states that for Finnish companies, the threshold to enter international markets can sometimes be huge. He considers that many

firms tend to wait too long before internationalizing just to notice that they could have succeeded in foreign markets already earlier. Timonen highlights that waiting for too long before entering abroad can result in losing a potential competitive position. The CEO underlines that *"At least in our business, there is no other option than to offer the service in international markets."* He further emphasizes that *"If you do not succeed abroad, you will not have any market in the home country either."* Furthermore, Timonen emphasizes that competition gets more intense all the time, and international competition indeed is the benchmark that is worth considering. He points out that the aim should not be to become a benchmark in the home country but specifically on the international markets instead.

As the company CEO, Timonen emphasizes the importance of giving authority to the local employees in the target markets in order to push things forward. It is indeed essential for the leaders to trust the local people who have personal knowledge of the corresponding countries. Timonen highlights that a successful leader of an internationalizing company is supportive and receptive. As per him, it is important that each team and corporation in every country have opportunities to develop further. Moreover, Timonen reasons that new ideas can arise anywhere. Accordingly, the CEO highlights that if a new and desirable idea is generated in one country, a successful leader can perceive whether it is worthwhile to pilot it in other countries too.

Like the CEO of Genelec, Timonen also suggests that having thorough understanding of the target markets is important for an internationalizing company manager. Furthermore, he emphasizes the importance of motivation and salesmanship as well as the ability to visualize one's own idea to the right people. The CEO thinks that international expansion can be compared to franchising entrepreneurship, which is an interesting but rational comparison. Hence, the Executive Director underlines that like a start-up manager, an internationalizing manager has teambuilding skills, substance knowledge as well as courage to share their vision and an ability to get other people to believe in the vision too. It is intriguing that besides addressing similar attributes, the CEO Timonen also raises certain managerial features that others do not mention, such as the characteristics typical for a start-up manager.

4.5.3 Conclusion

Adventure Club has already proven its readiness to recruit international employees as well as to enter foreign markets through employing foreign experts and operating internationally

abroad. In the case of Adventure Club, foreign experts' knowledge has been beneficial in developing international business operations, and the CEO also prospects that foreign experts can give the company advanced abilities to solve potential intercultural challenges posed by firm internationalization. Due to the company's future aim to serve customers worldwide, the CEO prospects that they will also have an increased need to recruit further international professionals. They even seem to showcase some positive discrimination towards foreign applicants. Furthermore, firm internationalization has resulted in the possibility for Adventure Club to recruit desired international experts abroad. Therefore, the case of Adventure Club seems to give support to the potential mutual positive connection between international workforce diversity and firm internationalization.

4.6 Finders Seekers

Finders Seekers is a young recruitment company founded in 2018 and based in Helsinki. The company's mission is to build 'winning teams' through helping other firms to find the best talent for their open roles (Finders Seekers Official Website). Finders Seekers' services are mainly related to IT recruitment and employer branding, and they also offer different trainings (Finders Seekers Official Website). The company operates currently only in Finland while serving its customers also online as well as internationally (Finders Seekers Official Website). Finders Seekers is indeed planning to internationalize and seems to be excited to do it. It does not have any foreign sales yet but has already sent some offers abroad. The recruitment firm has 12 permanent employees and three freelancers. One of the permanent employees and two of the freelancers are foreign experts. Besides having a few international professionals themselves, Finders Seekers is also experienced in helping other firms with international recruitments and relocation processes (Finders Seekers Official Website). The firm indeed highlights that if companies want to acquire the best talents, going global is a must (Finders Seekers Official Website). Finders Seekers underlines that companies are "*closing the door to the huge majority of the world's talent*" if they are only hiring locally (Finders Seekers Official Website).

Bea Grandell is a Senior Tech Talent Strategist at Finders Seekers. Her career as an IT recruiter started at Unity in 2015 where internationality and international recruitment have always been significant aspects. At Unity, Grandell was mainly responsible for hiring professionals from both local as well as global recruitment markets in addition to coming up

with the best talent attraction practices (Grandell, 2018). During her career, Grandell has looked for experts around the world, and the basis has always been to find the best candidates regardless of the nationality or country of residence, which showcases her world-oriented professional approach. Grandell is indeed experienced in recruiting foreign professionals from abroad besides providing trainings for other international recruitment teams (Grandell, 2018). Her personal aim is to “*Empower companies to hire diverse talent both locally and globally*” (Grandell, n.d.), which she believes is a significant value for Finders Seekers too.

4.6.1 Recruiting International Employees

Finders Seekers received the profile of a forerunner from the Talent Boost survey, and Grandell thinks that the profile describes the company very well. She explains that the working language has always been English, multiculturalism is seen in the company’s values and the attitude towards international talents is very good. As per Grandell, for the time being, the company has only one permanent foreign employee and two international freelancers besides several Finnish professionals who have lived abroad, and hence, internationality is present in the company overall. Although living abroad typically leads a person to become more international, employing domestic employees with foreign experiences is however not comparable to hiring non-Finnish individuals. Nevertheless, Grandell highlights that “*Our first international expert is also the first employee in the company.*” Hence, she underlines that even though the founders are all Finnish, international mindset has been present in the firm since the beginning. Furthermore, Grandell emphasizes that many of Finders Seekers’ employees help other companies to acquire international experts and to build the so-called winning teams. The said is how the firm seems to differentiate itself from other recruitment firms. “*Usually the winning teams consist of the world’s best experts, not necessarily of Finland’s best experts.*” It is great that the firm tries to get other Finnish companies to realize that too.

It seems that Finders Seekers indeed already has the mentality of a forerunner when it comes to its open-mindedness and obvious aim to build teams with the world’s best experts. However, comparing the actual numbers to some other companies employing several foreign experts around the world, there is still room for improvement at Finders Seekers. Yet, taking into account the fact that the recruitment company is still very young, based on their determined approach that emerged throughout the interview with Grandell and is displayed on the company website as well, Finders Seekers is surely on the right track. Moreover,

since the firm aims to help other companies to become multicultural, it would be contradicting if that was not its own goal too.

Consequently, regarding Finders Seekers' own recruitment needs, the Talent Strategist Grandell explains that they have already had discussions and considered to relocate foreign experts to Finland. Still, as a consultant, Grandell has recruited and relocated foreign professionals to other Finnish companies, such as to Suunto. With one exception, the company's current employees, including the international ones, have all been hired from the Finnish recruitment market. One of the Finnish employees was living in Australia during the recruitment process. However, as per Grandell, it has not been the right time to carry out foreign relocations yet, especially considering the current COVID-19 situation. Still, Grandell highlights that *"We want to be a multicultural company and also help other companies to become culturally diverse."* She reveals that Finders Seekers is in fact currently building a solution to help firms in recruiting international experts. The solution aims to bring experts and enterprises together specifically regarding the cultural perspective. Hence, it indeed seems that Finders Seekers has an ambitious aim to fulfill its goal.

Bea Grandell highlights that the recruitment grounds of international employees do not differ from those of the domestic candidates. *"If I think about how recruitments are done overall, the reasoning is always the same."* For her, finding the best candidates in the world regardless of their cultural background or country of residence has always been the basis, which interestingly refers to the geocentric, or world-oriented, approach of Perlmutter's (1969) classic article. Grandell gives an example that at the moment, she spends most of her time on a gaming company, and gaming industry is one of the most common fields that lacks Finnish experts. Therefore, the reason for recruiting an international professional is simply that there is not necessarily enough experts to fill the positions in Finland, which is what Inkinen from Vaadin also emphasizes. Otherwise, the Talent Strategist underlines that it is very important that an international candidate is excited about Finland altogether and about the applied role. What Grandell also considers when recruiting foreign experts is the cultural aspect. In one of her blog posts, Grandell highlights that when a recruiting company is having discussions with potential candidates, it is important to understand what kind of cultural background they have (Grandell, 2020). She underlines that it is important to recognize the differences and to be transparent about them, which Koski from Sensible 4 also points out.

Communicating about the cultural matters is indeed very important since for example many of Vaadin's international recruits have in fact left Finland due to cultural reasons.

According to Grandell, international employees can work in any position varying from IT recruitment and employer branding to developing recruitment processes and trainings at Finders Seekers. Grandell highlights that the biggest benefits of having an internationally diverse workforce "...is definitely the multiculturalism." She emphasizes the benefit of diversity through underlining that "*Diversity is unique and strengthens a team.*" while believing that "...the more heterogenic team, the better." One of the core values at Finders Seekers is indeed being diverse (Finders Seekers Official Website). Grandell has also wrote a blog post about 'How to get people who are both: culture fit and add?' in which she is glad that firms are nowadays more focused on the 'culture add' than to the 'culture fit' (Grandell, 2020). The culture add refers to increased cultural diversity whereas the culture fit is concerned with matching with the organization's consistent culture. Accordingly, when companies focus on the culture add, they can avoid ending up with teams that are too homogeneous (Grandell, 2020). Furthermore, regarding the benefits, Grandell thinks that it has also been interesting to learn from her international colleagues about other countries' recruitment markets and businesses. She emphasizes that "*Our aim is to indeed start expanding our business abroad, and hence, the business understanding is one big aspect.*"

The only challenge that Grandell recognizes of an internationally diverse workforce is related to language matters as it is time-consuming to translate materials from Finnish to English. Yet, she states that it is merely a matter that one needs to be aware of, and it is also possible to practice speaking with someone in Finnish while writing the notes in English so that translating is not required afterwards in case the intention is to share the materials to the whole team. Apart from the linguistic matters, she does not really see any further challenges at Finders Seekers. However, she has recognized several thresholds that many other Finnish companies have when it comes to recruiting international experts in the first place. Grandell acknowledges that recruiting the very first foreign professional is always a challenge. Yet, she underlines that "*The whole world has a crying shortage of and an employment mismatch with developers.*" Consequently, she states that "*The companies in Finland have not yet woken up to the fact that it is inevitable to recruit international professionals.*"

According to her, one of the biggest overall challenges is related to attitudes. *“In principle, people are intimidated by different cultures, and companies would certainly need help with that.”* Furthermore, Grandell believes that another typical threshold that Finnish companies have regarding recruiting international experts stems from language matters. She reasons that if a company has been founded by only Finnish speaking people and if the documentation is done in Finnish and the working language is Finnish, it can be difficult to change the language into English. However, Grandell considers that after all, most Finnish people understand and speak English relatively well, and thus, it is then also an attitude matter whether they are willing to use the language. Consequently, Grandell underlines that *“Not all companies will succeed in Finnish in the long run.”* The reasonings behind cultural and linguistic issues are indeed rather light excuses, which could be overcome fairly easily.

Grandell gives an example of a case in which a Finnish recruiter had asked a foreign expert how the international is going to handle the matter of being an immigrant professional and not speaking Finnish. The Talent Strategist considers that it was an odd starting point that the candidate was supposed to come up with a solution how they will adapt to the company and not vice versa. Hence, the organization did not support nor plan how they would make the environment more welcoming and inclusive place to work for the foreigner. Of course, the whole responsibility and burden cannot be given to the employers alone, but they do have a significant role in being initiative and supportive regarding the said matter.

Besides the cultural and linguistic challenges, Grandell states that another great threshold that companies have regarding international recruitments is related to the Finnish residence and work permit processes. According to her, firms find it challenging to hire an employee who does not have a Finnish residence permit yet because the permit process and bureaucracy are typically considered as discouraging. Grandell explains that the information is unclear because every permit process and applicant are treated separately. She also highlights that there is so much information online that it can be challenging to find the exact right advice. The HR Manager Koski from Sensible 4 also underlines the desire for more clear information about the permit processes. Accordingly, as per Grandell, companies are afraid of the possibility that if they do not understand the bureaucracy and processes, the whole permit process fails.

The Talent Strategist indeed gives an example of a case in which the residence permit process failed because the hiring company had not been able to fill in a required employer letter. However, it may also seem that the firm has not been able to follow the instructions carefully enough. Grandell gives another example of a Russian professional who had arrived to Finland in order to look for a job. One consultancy company had told the person that they would like to offer a place for the jobseeker but only after the expert has a residence permit. Grandell highlights that *"To my ear, this sounded really absurd."* She explains that after all, an expert will not receive a residence permit if the employment contract is not signed by both parties. Consequently, Grandell considers that the firm must have been afraid of the bureaucracy underlining that *"Essentially, companies are afraid of what they don't know."* It seems that Finnish firms indeed need help with the permit processes due to their somewhat unclear nature. However, the processes are not rocket science, and hence, deciding not to recruit foreigners because of the permit processes is merely a poor excuse. Moreover, there is actually an ongoing plan to develop the permit procedures and immigrant legislation on the Ministers' table (Ministry of Economic Affairs and Employment in Finland, n.d.).

When it comes to leading an internationally diverse workforce, like Bäckman and Koski, Grandell highlights that *"Understanding cultures is very important."* She explains that the working culture in India for instance might be very different compared to the Finnish one. Accordingly, *"Communicating with me can be completely different than communicating with an Indian."* Thus, as per Grandell, a good manager can adapt to different communicational habits and find a balance with different professionals. However, she explains that it does not mean that a manager has to for example understand every culture's features or to know Hofstede's cultural model of each country. Instead, Grandell underlines that the cultural knowledge also comes through learning because people are different altogether. *"All Finns are different just like all international experts are different."* Hence, she highlights that a successful leader can also take different individuals into account. Grandell suggests managers to have conversations with people and to recognize the differences in order to become more culturally aware as well as to find common grounds.

4.6.2 Entering Foreign Markets

The Senior Tech Talent Strategist is confident of Finders Seekers' future international direction. *"We are a rather brave firm with no fears to jump into new challenges or to create new services."* Considering the fact that Finders Seekers is still somewhat young company,

Grandell underlines that *"I think it is great that we are already now looking at expanding abroad."* According to her, Finders Seekers has already preliminary surveyed three different countries where they could potentially expand to, and they also have a local market expert in the corresponding countries. Hence, it indeed seems that Finders Seekers is ready to start putting its goal into actions.

Consequently, regarding the resources needed in order to succeed in international markets, like the CEO of Genelec, Grandell highlights the importance of networks. She states that having recruitment professionals and networks in different countries where the company possibly wants to expand can be beneficial assets. It seems that the firm has indeed already been able to connect with international cooperation partners as it is stated on its website that Finders Seekers has vast professional networks outside of Finland too (Finders Seekers Official Website). Grandell emphasizes the benefit of cooperation partners in helping to determine whether it is even reasonable to establish their business to the respective countries. She points out that *"We have two freelancers who have Russian backgrounds and we have received very good insights from them regarding what kind of Russian recruitment markets are for instance."*, which supports the potential positive effect of international workforce diversity on foreign market entry. Interestingly, Grandell further indicates that *"If we would expand to Russia, we would probably recruit Russian employees to [our own office] in Finland."* Hence, Finders Seekers seems to have a similar plan with Benete indicating that firm internationalization can in fact also lead to recruiting further international professionals.

Differentiating from several other company representatives, Grandell emphasizes that *"Learning is definitely one great benefit [of entering foreign markets] since the more one understands about different countries' markets, the better recruitments one can do."* It is great that the Talent Strategist does not merely point out the financial benefits and growth opportunities but actually highlights that firm internationalization gives the company increased possibilities to improve the core business service that it offers. Moreover, she states that as the opportunities are unlimited, *"We can reinvent ourselves completely when expanding abroad."* Yet, that mentality seems to differ from that of Genelec's since Naghian explicitly underlines that it is essential to have a strong and unique brand identity instead of aiming to change entirely when entering new markets. Still, past experiences have shown that not localizing at all can also lead to significant failures.

Bea Grandell reasons that compared to an international expert who moves to Finland and wonders whether they can integrate into the Finnish culture, when entering foreign markets, the challenge from the business perspective is whether the company can integrate into the foreign culture. This is a very good and concrete comparison. Grandell states that some countries might for example already have so strong relations among the locals that it can be challenging to enter the markets and to get the first customer. Additionally, *"Another matter is if one does not understand the cultural differences."* She explains that for example in the USA and the UK, recruitment is done completely differently than in Finland, and hence, it can be challenging to adapt to their way of working. Accordingly, Grandell emphasizes the importance of foreign market understanding regarding the business practices as well as cultural skills for an internationalizing company manager, which is what the CEO of Genelec also highlights. Failing to understand the culture and practices of the foreign target markets can indeed have severe consequences.

4.6.3 Conclusion

Finders Seekers is ready to recruit international professionals as their somewhat small team already includes altogether three non-Finnish employees. The firm has also already had discussions of relocating further international professionals from abroad. The fact that it is helping other companies to realize that the best teams can only be acquired if the recruitment market consists of the whole world further indicates Finders Seekers' open-mindedness towards foreign experts. The company has also taken the first steps towards firm internationalization. Although it does not have any foreign sales yet, the company has already surveyed a few different potential foreign target markets where it already has local market experts as well, which showcases its readiness to enter foreign markets in reality. Interestingly, in the case of Finders Seekers, there in fact seems to be a positive mutual connection between international workforce diversity and firm internationalization. The firms' current international professionals have already assisted the company to inspect a potential corresponding recruitment market. Furthermore, according to the company representative, in case they will decide to enter the respective international market, it is probable that they would recruit further employees to their Finnish office directly from there.

4.7 Medikro

Founded in 1977 and headquartered in Kuopio, Medikro is a family business developing, manufacturing and marketing medical equipment, such as spirometers, for cardio-pulmonary diagnostics (Medikro Official Website). Its end customers include hospitals, occupational health centers and clinics (Medikro Official Website). During the past 40 years, Medikro has grown from a one-man company to an international business (BusinessKuopio, 2018a). Cooperation with the first international distributors started in the late 80's, and today, Medikro's products are covered in over 30 countries (MedikroOfficial, n.d.). Since mid-2000, the company's international sales have been higher than its domestic trade. Nowadays, exporting forms around 65 percent of the whole turnover. In order to develop and maintain markets that are growing on a fast pace, Medikro has a one-person office in China as well as representative offices in the USA, Germany, Italy and Spain (MedikroOfficial, n.d.). Medikro employs altogether 33 employees out of which 32 are located in Kuopio and one in Shanghai. The people working in the international representative offices are not under Medikro's payroll but the firm's cooperative partners. Five of the employees working in Finland are foreigners while the person located in China is Chinese. Medikro has employed international employees at its Finnish head office since 1980's, which indicates its early readiness to recruit foreign professionals.

The CEO of Medikro, Tuukka Eloranta, is continuing the work of the company founder, or that of his father. Eloranta used to work at Medikro already during his studies, and today he has worked full-time in the company for the past 10 years. His first responsibility at Medikro was to conduct industrial sales for international customers. He has also been responsible for domestic and international sales, acquiring new customers, as well as exporting and distribution. Since 2015, Tuukka Eloranta has been the CEO of Medikro cooperating globally with different international parties. When Eloranta was appointed the new Managing Director, he stated as follows: *"I look forward to continue working alongside my father as we expand our operations and product range."* (Medikro, 2015) Hence, it seems that Eloranta has been eager to internationalize the company even further.

4.7.1 Recruiting International Employees

The CEO Eloranta considers that the forerunner profile of the Talent Boost survey matches with Medikro's current international position. *"Internationality is an integral part of this*

company's operations.” Accordingly, he thinks that the attitude towards international talents is generally very open and positive at Medikro. Eloranta highlights that it is completely normal to have an international workforce and foreign colleagues in the company. Interestingly, throughout the interview, the CEO strongly underlines that he does not recognize a need to differentiate or to compare a Finnish and an international person nor operations in Finland and abroad. He highlights that individual humane differences exist between Finnish people too, and therefore, in his opinion, *“Seeking confrontation between Finnish people and foreigners is unnecessary.”*

Consequently, even though Eloranta understands that categorizations are needed for example in research purposes, he criticizes the mentality of separating domestic and international matters, and even believes that the division is somewhat artificial. It is great how strongly the CEO expresses his tolerant attitude towards international and foreign matters. However, despite increased open-mindedness towards different cultures and internationality overall, the world is not unified and even significant cultural differences exist between the world's countries. Also, not every company manager is ready to recruit non-domestic people displaying discrimination towards foreign candidates. Due to these reasons, certain comparisons are needed.

According to Eloranta, the recruitment principle of Medikro is to look for suitable candidates with desired experience. He states that nationality is not the most relevant matter in the company's recruitment policy. However, Eloranta considers that *“In an internationally operating company, a non-Finnish candidate might have an advantage based on the international experiences.”* Still, he reminds that *“There are also internationally experienced and commendable people in Finland.”* The CEO acknowledges that in some job assignments, it does not matter at all whether the background of an employee is international or domestic whereas in some positions, a specific background can be beneficial for the job. Hence, it seems that even though Eloranta stresses the irrelevance of differentiating international and domestic matters, he acknowledges that certain dissimilarities can exist between domestic and foreign job applicants.

Furthermore, as per the CEO, the capabilities to adapt to new situations and cooperate with new people as well as readiness to learn new things are essential at Medikro. Moreover, he highlights the importance of language skills and prefers to recruit employees with knowledge

of more than one language as Medikro is an internationally operating company. Eloranta explains that even though English is widely used, language barriers still exist in different countries. Consequently, according to him, the same end results are not necessarily achieved in English compared to the local language, and therefore sometimes having linguistic knowledge of a specific region can be crucial. Medikro's product leaflets can be downloaded in 12 different languages including in Chinese, Danish, Dutch, English, Finnish, French, German, Italian, Norwegian, Russian, Spanish and Swedish (Medikro Official Website). It is great that Medikro does not only lean on English but acknowledges the need for other languages too. However, the CEO Eloranta underlines that *"A company of our size cannot recruit people so that each target market would have its own local employee [who is familiar with the corresponding language and culture]..."* either there on the spot or in Finland. Hence, *"Resource compromises must be done."*

The CEO states that Medikro has had international employees working in all departments, namely at sales, product development, production as well as administration. At the moment, the company has foreign employees at sales and production. Eloranta highlights the benefit of an international work community. Like Koski from Sensible 4, the CEO of Medikro explains that in a technology company, different viewpoints, thoughts and opinions are precious. He emphasizes that it is enriching that people have different cultural and educational backgrounds as well as dissimilar orientations and interests. Consequently, Eloranta underlines that employing people with different nationalities and cultural knowledge enriches the work community per se in addition to giving the company an opportunity to operate more naturally in its exporting and importing markets. Hence, the CEO seems to give support to the notion that foreign employees can indeed be beneficial for an internationally operating firm.

As per Eloranta, the biggest challenges of having an internationally diverse workforce are related to cultural differences and language barriers. All important information and communication is both in Finnish and English at Medikro making it a bilingual company. According to the CEO, communicating in English is necessary for the foreign employees who do not have sufficient Finnish skills while Finnish information is required for the local employees working especially on the production side whose English skills are not fluent enough. Yet, Eloranta states that it is not necessarily efficient nor practical to always do everything in two languages. Consequently, he acknowledges that there are some linguistic

challenges at Medikro because not all employees share a common language, but as per him, the challenges are not insurmountable. It is great that despite some challenges, Medikro has not restricted its recruitments according to certain language requirement but they have found a way to operate as a bilingual company instead.

Interestingly, the CEO criticizes Finnish legislation concerning the country's official languages. He explains that a few years ago, Medikro received a remark from a public officer concerning the company's work safety. An inspector had stated that Medikro does not officially have an action plan of occupational safety because the corresponding protocols and documents were in English instead of the official language of Finnish or Swedish. Eloranta explains that Medikro's team that is responsible for the work safety includes a German employee, which is why the documents were in English only. Accordingly, the CEO stresses that if Finland wants to be an open and international society, a public officer should also approve a document that is in English. *"I think it is somewhat ridiculous that foreigners who do not have sufficient Finnish skills cannot independently operate in Finland since all documents must be in Finnish only for the public officer."* Eloranta highlights that it should be more important that all employees understand the company documents. Hence, he states that even though there are already many governmental functions that work in English, the language matters still set certain restrictions. While the CEO's statements are somewhat understandable, considering the company's Finnish employees who, as per Eloranta, do not have adequate English skills, having the said documents only in English may not be sufficient after all.

The CEO of Medikro understands that recruiting the very first international employee can be a genuine challenge for many Finnish companies because it brings along change. He explains that when a company that has operated only domestically decides to start selling its products abroad, the firm has to be ready to do new things. Consequently, like Grandell from Finders Seekers, Eloranta considers that the first foreign market entry is similar to the first foreign employee recruitment since both situations are associated with discomfort and inconvenience. That is an interesting and rational comparison. Furthermore, Eloranta points out that recruiting diverse employees is also related to equality matters. He thinks that it is a pity that societies need to be guided with these issues in order to change their customs. The CEO hopes that it would be obvious for everyone instead. These comments further highlight Eloranta's tolerant attitude towards foreign matters. Moreover, the CEO considers that

especially regarding the first international hires, it can be easier to recruit a foreigner who can speak Finnish than an employee who is not familiar with the language. Eloranta believes that if changing the organizational language is not required, it can facilitate the international recruitment. Although his reasonings are comprehensible, not many foreigners can speak Finnish unless they have lived in Finland for a long time. Consequently, a non-Finnish person who has lived in the country for long and learned the language cannot be compared to a foreigner who has no connections to Finland.

When it comes to the characteristics of a successful international team leader, Eloranta emphasizes the importance of considering each employee as an individual. The CEO points out that people have different ways of acting, which a leader has to be able to reconcile so that the team's work is still consistent. Naturally, an international aspect brings with it language and cultural matters, which, as per Eloranta, a successful leader is also aware of. However, he underlines that humane differences exist between people even if they share the same cultural background. The Managing Director distinguishes that a Finnish and a Spaniard for instance can have a different opinion about a certain matter as equally as an economist and an engineer may disagree with each other, which is a fair comparison. Therefore, a good international leader does not only consider the cultural background of the subordinates but can distinguish them as individuals. Eloranta shares these reasonable ideas with several other company managers as well. Therefore, it indeed seems that a successful leader of an internationally diverse workforce is culturally aware but does not disregard individual differences that do not necessarily stem from cultural dissimilarities alone.

4.7.2 Entering Foreign Markets

Although Medikro is competing with international corporate giants, the firm has succeeded to acquire a respectable 5 percent share from the world market of spirometers (CADWORKS, 2016). Accordingly, like Bäckman, Inkinen and Naghian, the CEO Eloranta highlights that *"When looking for growth, the growth must be sought internationally because the domestic market's size is limited."* Eloranta explains that Finland is such a small market that a health technology company does not survive if the only market was in Finland. *"Even if all Finnish customers would buy our product, the market is simply not big enough."* Therefore, he states that it is essential to retrieve customers and growth from abroad. *"When you start to count the euros, it is a must to operate in international markets too."* Eloranta emphasizes that they cannot operate without international sales and international partners.

Therefore, regarding the biggest benefits of entering foreign markets, the CEO in fact highlights that *“I would not necessarily talk about benefits since it is inevitable.”*

Consequently, Eloranta underlines that there are many industries and businesses that cannot be successful if they stay in only one country. Either the market is not big enough or the product or service development on the whole cannot be managed in one country alone. Hence, either knowledge, product components or some other necessary matters are acquired from abroad. Therefore, the CEO considers again that the difference between a domestic and foreign market is not that significant. *“The domestic market is a market just like the markets abroad.”* However, the said matters are not all completely comparable, at least in the scope of this thesis, because a firm can for example utilize foreign product components while still operating only domestically.

Nonetheless, Eloranta believes that Medikro’s focus on international operations and markets will certainly increase in the future since *“Internationality is a vital condition for the firm.”* Yet, at least for the time being, the company’s main activities are in Finland. The CEO states that although the major part of the company’s turnover consists of exporting, the domestic market is still an important mainstay and ‘a life insurance’ for the core business (CADWORKS, 2016). Eloranta states that Finland is an important market for Medikro and the firm has good and reliable cooperation with its Finnish customers. Therefore, it is indeed worthwhile to operate in the domestic market too. Accordingly, at this point, Eloranta cannot estimate whether there will be a need to have permanent operations in several countries outside of Finland in the future. Moreover, the Executive Director states that even though local presence in the target markets is beneficial, decentralization can lead to internal communicational challenges. It is good that he is aware of as well as transparent about the said potential challenges.

Nevertheless, although Eloranta states that people are the ones who do business everywhere, he points out that there are significant cultural differences in different markets, and thus, cultural understanding is important when operating abroad, which is highlighted by other company representatives too. The CEO explains that the health care structure is very different for example in Germany compared to that of Finland, which is why Medikro’s distribution channel is completely different in the two countries. Therefore, the CEO highlights that in order to have successful international operations, it is important to have

knowledge of the respective health care structures as well as to understand the linguistic and cultural matters of the target markets. Accordingly, as per Eloranta, language skills and socio-cultural know-how are important for an internationalizing company manager too. Hence, he strongly recommends to treat each market separately and each customer and partner as an individual.

Furthermore, like Naghian and Koski, Eloranta highlights that when the aim is to succeed in international markets, *"The greatest resources and assets are the people."* He underlines that *"Profitability is made by people's decisions."* Hence, the CEO emphasizes that local knowledge of the relevant culture and language as well as contacts are valuable when exporting to the corresponding target market. However, Eloranta states that it does not always mean that one must be originally from a certain country in order to have the required language skills and cultural knowledge. Rationally, he considers that a person who has lived in a specific country or otherwise been in close contact with the country long enough might as well have adequate linguistic and cultural skills. Still, the CEO does not think that it is an essential requirement to have local knowledge of a specific target market in advance because a smart person can also absorb and internalize the foreign cultural matters as well as apply what they have learned in other countries. Yet, the said tactic might be risky and potentially result in making more mistakes in the beginning.

Moreover, the Founder of Medikro, Mikko Eloranta, underlines that spirometers, like the entire medical side, are constantly being monitored more and more closely (CADWORKS, 2016). Products have their own classifications, and they must be approved before they can be introduced to a new market (CADWORKS, 2016). The CEO Tuukka Eloranta explains that different countries indeed have dissimilar regulatory and trade environments. He considers that due to easier approval protocols and decreased action barriers, it is somewhat easier to operate inside of the EU than outside of it. Consequently, Eloranta explains that when operating outside of the EU, besides the requirement of having knowledge of the local culture, language and customer structure, certain testing, approval and trading licenses must be acquired separately according to each country's requirements and legislations. According to the CEO, the approval process after product development and testing is typically a bureaucratic process that can even take a few years. Therefore, time and capital are needed in order to get the required sales licenses for opening a new market. Hence, at least when

operating in the same industry as Medikro, firm internationalization can be demanding and require for persistency as well as patience.

4.7.3 Conclusion

Employing international people and having international operations, Medikro has already reached the readiness to recruit foreign employees and enter markets abroad. The company CEO states that employing people from different countries with respective cultural and linguistic knowledge can give the firm an opportunity to operate more naturally in its exporting markets. This gives some support to the notion that foreign employees can indeed have a positive impact on firm internationalization. However, justifiably, an individual can acquire the required knowledge and skills through for example living in a specific country long enough. This means that also a domestic person who has adequate experience of a specific foreign country can bring the needed knowledge to an internationalizing firm. Furthermore, although challengeable, as per the company CEO, the essential local knowledge may not be needed in advance but can also be absorbed on the spot. Hence, to sum up, in the case of Medikro, a potential positive effect that foreign experts can have on firm internationalization remain somewhat vague, and no effect of firm internationalization on international workforce diversity emerged.

4.8 FinVector

Being the world-leader in its core business, FinVector is a research and development company of viral-based gene therapy products. (FinVector Official Website; FinVector Oy, n.d.). FinVector's products are offered for both commercial and clinical use (FinVector Official Website). Through acquiring solutions in advanced medicines, the company's mission is to improve and prolong human lives (FinVector Oy, n.d.). The firm was founded in 1993 and is headquartered in Kuopio. It also has an office in England while customers are located mainly in the USA. FinVector's target has been on international markets all along with an even more determined intention since the start of international patient trials in 2000. Nowadays, international sales form 100 percent of the company's whole turnover. The SME employs altogether 210 people in Finland and 8 in England. FinVector has employed more or less international professionals from the very beginning, and at the moment, the Finnish office has 27 foreign employees from 20 different countries. Three of the internationals are from the firm's main market, USA. The employees working in England are all locals.

FinVector highlights that *“we want to be a company that people aspire to work for.”* (FinVector Oy, n.d.)

The HR Director of FinVector, Johanna Pirinen, has experience from the gene therapy industry from the past 15 years. During the time, she has become an international HR professional. She describes herself as a ‘people geek’ being inspired to learn and understand people’s motivations and behavior (Pirinen, n.d.), which is certainly beneficial for an HR Director working in an international environment. Pirinen has deepened her knowledge through writing a thesis about ‘Developing the HR Practices in an International Organization’ with an aim to investigate the best practices regarding personnel management in a growing international organization (Pirinen, 2017). She has lived in England awhile when she was young, and today, she is cooperating closely with international people as part of her job. Pirinen enjoys working at the multicultural environment of FinVector, and for her, it is self-evident that she has colleagues with different cultural backgrounds.

4.8.1 Recruiting International Employees

Like all case companies, FinVector received the profile of a forerunner from the Talent Boost survey, and according to the HR Director Pirinen, the profile matches well with the company’s current international situation. According to her, FinVector has a very open and favorable attitude towards international talents. The manager highlights that the company takes international people extensively into account and along the work community regardless of their background. One of the firm’s foreign professionals, Downstream Specialist Gareth Callan who is originally from Ireland, indeed emphasizes that *“My colleagues are really fun, they have been very welcoming to me being a non-Finn, and they all speak English perfectly so it has been easy for me to adapt here.”* (FinVector, 2020) Although, the working language at FinVector is indeed English, as per Pirinen, the firm offers every foreign employee an opportunity to learn Finnish via sponsoring them Finnish language lessons so that it would be easier for them to integrate into the society. Hence, it seems that it is important for the firm to ensure that its international employees adapt to living in Finland, which is indeed essential in order to avoid losing them. Still, the HR Director acknowledges that *“There is always room for improvement.”* As opposed to some other managers who merely focus on how well their companies are doing, it is great that Pirinen is humble and acknowledges that it is possible to do even better.

When it comes to FinVector's recruitment grounds of international employees, the HR Director implies that they do not differentiate domestic and international candidates. Thus, like Grandell, Inkinen, Naghian and Koski, Pirinen indicates that the nationality of a potential employee is indifferent for FinVector. She explains that since the industry in which the firm operates is very specific, they know that it is impossible to hire all experts from Finland only, which is what Grandell and Timonen also emphasize. Therefore, the HR Director underlines that the company's recruitment market consists of the whole world. As per Pirinen, 30 percent of the international employees have been recruited directly from abroad while the rest have already lived in Finland during the recruitment process because of for example having studied in the country or having a Finnish spouse. The company's former Managing Director, Timo Ristola, highlights that although they were afraid that it would be a challenge to hire skilled enough professionals, they have been fortunate with the recruitments (BusinessKuopio, 2018b). He further emphasizes that the company has also succeeded in finding foreign experts (BusinessKuopio, 2018b).

According to Pirinen, international employees work in all kinds of positions in every level at FinVector varying from blue collar workers to managers. In fact, as of June 2020, the company has appointed a new Managing Director, Giuseppe Carloni, who is originally from Italy, to take over the responsibilities of the former Finnish CEO, Timo Ristola (FinVector Official Website, 2020). Prior to his current role, Carloni has gained extensive international experience from Europe and the Americas (FinVector Official Website, 2020). It is somewhat unique and unusual to have a foreign CEO leading a Finnish SME, which showcases FinVector's tolerance and open-mindedness towards internationality. Pirinen highlights that international employees bring with them experience that the company would not necessarily get elsewhere since no other firm in Finland manufactures gene medicines to commercial markets. Hence, she states that it is beneficial for FinVector to employ foreign professionals with the so-called 'big pharma' experience.

The HR Director underlines that they have had very little challenges with the international employees. In fact, she emphasizes that it has been a bigger challenge to brand the area of Kuopio, and thus FinVector, attractive enough for international people. The Group Manager of Vaadin also indicates that the main challenge has indeed been related to the attractiveness of Finland as a country rather than to the international employees themselves, which is rather alarming. Pirinen stresses that they have been tackling with the brand attractiveness

challenge for the past five years, and now things have finally started to improve locally. According to her, there are nowadays Talent Hub activities, more cooperation with ELY-Centre (Centre for Economic Development, Transport and the Environment), Chamber of Commerce, local schools and other companies et cetera, which have facilitated in overcoming the aforementioned challenge. Furthermore, Pirinen highlights that since FinVector is a well-known and desirable workplace in its own industry, its reputation has helped the firm to recruit great international professionals.

Additionally, the HR Director emphasizes that since English is the official language at FinVector, and the company does not have Finnish requirements, the language matters have also significantly facilitated the recruitment of international professionals. All job advertisements indeed highlight that the applicants need to have fluent spoken and written language skills because FinVector has an international team and the working language is English (Oikotie, 2019; Oikotie, 2020; Suomen Solubiologi, 2020). The company websites are also in English only. Pirinen underlines that they employ many competent international professionals who cannot necessarily get jobs elsewhere in Finland due to the requirement of Finnish language skills. Looking at the Finnish recruitment market, surprisingly many job advertisements indeed state that Finnish knowledge is needed, which discriminates the potential foreign applicants.

Although the HR Director thinks that it is fruitful that FinVector has a multicultural work community, she notes that there is relatively small number of companies in the Kuopio area employing as many international people as FinVector does. She even states that *"I guess I live in some 'delusion bubble' because I take it for granted...that we have so many people with different backgrounds."* It is great that Pirinen believes that having colleagues with different cultural backgrounds is self-evident. Yet, instead of having the notion of being in a 'delusion bubble', possessing an internationally diverse workforce will hopefully become the common norm of many other firms too. Johanna Pirinen explains that she has had conversations with different company representatives and *"For many firms, there is a significant barrier to hire the first international person."* She thinks that Finnish organizations should gain more knowledge as well as courage to recruit and look for talent from abroad as well. The manager believes that one of the significant thresholds regarding the first international recruitments stems from the matter of easiness. Pirinen reckons that changing the organizational language is often perceived cumbersome, which is highlighted

by other company representatives as well. Furthermore, some Finnish managers may be insecure to speak English and have a poor self-confidence, which can result them to become unwilling to recruit foreign employees. The managers indeed have the power to choose whom they will hire, and hence, the personnel is in a way a reflection of the leaders.

Pirinen highlights that a successful manager of an international team treats everyone equally, and thus, does not favor the domestic individuals over the others. Taking different cultural backgrounds into account and aiming to understand why people act differently instead of judging or disapproving are important features of an international leader as per the HR Director. She also emphasizes the importance of guaranteeing that English is spoken in all forums. The said matters are essential in order to create an inclusive work environment, and the managers indeed play an important role in ensuring that. However, despite describing the important characteristics of an international leader stated above, somewhat surprisingly, Pirinen does not see that leading Finnish people versus international people is different nor that the leading demands particularly different skills. Perhaps being an HR Director of an international personnel has become so ordinary for her that she does not explicitly recognize the differences, which is not necessarily a negative matter.

Furthermore, highlighting the importance of understanding cultural differences, Pirinen emphasizes that it is essential to ensure that foreign professionals learn about the company culture and what it is like to live and work in Finland, which is also part of the induction process of FinVector. The HR Director explains that making sure that new non-Finnish employees are for example aware of Finland's gender equality can prevent potential cultural misunderstandings. Moreover, as per Pirinen, Finnish companies typically have low hierarchical organizational structures, which means that anyone can for instance go and talk to the top manager. That can be strange for some international people at first if their culture is featured with more official customs with directors. Consequently, she mentions that FinVector is somewhat exceptional company as 80 percent of the executive board members are women, which can also seem strange for some foreigners. The said is very original, impressive and inspiring, and showcases FinVector's courage to deviate from the norm.

4.8.2 Entering Foreign Markets

Launching out from Kuopio into the world's international markets, FinVector has been determined to move purposefully towards its dreams (BusinessKuopio, 2018b). The

company's dedication has been fruitful indeed (BusinessKuopio, 2018b). However, besides successfulness, the journey has also included difficult times (BusinessKuopio, 2018b). Consequently, the former Managing Director Ristola acknowledges that plans are not always accomplished but lack of success can also lead to surprising upswings (BusinessKuopio, 2018b). Accordingly, the HR Director Pirinen underlines that having courage to really manage the company and lead people is a characteristic of a successful firm internationalization leader.

Similar to Eloranta, Inkinen and Naghian, Pirinen highlights that *"Our company would not stay alive if our markets were only in Finland."* Therefore, she emphasizes that the benefit of entering foreign markets is that the firm overall survives as an operational enterprise. She also believes that the company *"...will be more and more international in the future."* The HR Director determines that the main resources that FinVector requires in order to succeed in international markets are knowledge of the target countries' pharmaceutical legislations as well as overall experience of the commercial pharmaceutical industry. She emphasizes that international people are an important asset for FinVector because they can help the firm to make sure that it understands the needs of its international customers and cooperation partners. Pirinen highlights that as international professionals are already inside of their respective cultures and know how things work in the corresponding countries, they can assist the employer company to successfully maintain its international relations. This gives support to the notion that foreign employees can be beneficial for companies that aim to internationalize, especially when the firm's markets for recruitment and sales overlap.

Since FinVector is already operating in foreign markets, Pirinen finds it somewhat challenging to recognize any challenges of firm internationalization. Still, she considers that the main challenges are related to different pharmaceutical legislations. The manager explains that it is demanding to prove that the company's operations correspond to all pharmaceutical laws in different countries, which is what Eloranta also indicates. As per Pirinen, FinVector has not had any significant culture-related challenges, and she believes the reason for that is because *"We have always been so international and we have always had international employees also in significant positions"*.

4.8.3 Conclusion

Having employed foreign professionals since its foundation, employing international experts from 20 different countries today and perceiving the whole world as part of the recruitment market all display FinVector's high readiness to recruit foreign experts. Furthermore, the company seems to be a so-called born global since it has all along targeted international markets. FinVector indeed already has international operations, and as much as 100 percent of the company's turnover is received from international sales. These factors indicate that FinVector has already achieved the readiness to enter foreign markets too. Moreover, thanks to their cultural knowledge of the respective foreign countries, international professionals seem to be an important asset for FinVector in ensuring that it understands the international customers and cooperation partners' needs, which facilitates maintaining the respective international relations as well. Therefore, the case of FinVector gives support to the notion that foreign employees can have a positive effect on firm internationalization, especially when the firm's markets for recruitment and sales overlap. Yet, this case company does not give support to the potential positive effect that foreign market entries could have on international workforce diversity.

4.9 Ai4Value

Ai4Value is a young artificial intelligence (AI) start-up founded in 2018 and headquartered in Helsinki. Its mission is to develop new algorithms and provide practical AI solutions in the areas of Machine Learning and natural language processing, or NLP (Ai4Value Official Website; Ai4Value, n.d.). The company's services range from consultancy, trainings, project work and above all, algorithms in the field of AI (Codemen Oy, 2018). Ai4Value has official operations only in Finland but it takes part in international projects in different countries abroad. Around 20 percent of the whole turnover is received from international sales. The percentage is expected to increase due to more extensive future internationalization. The firm has currently two Finnish employees but it utilizes an international network of over 150 professionals around the world in order to offer support for its customers locally (F6S, n.d.). Ai4Value's first, and thus far the only, permanent international recruitment was from Pakistan, but the person transferred to another organization. The company seems to have a very tolerant attitude towards diversity matters through taking discrimination very seriously. *"As a global company we will not tolerate any kind of prejudice, be it based on race, gender,*

religion, sexual preference, or any other personal characteristics.” (Ai4Value Official Website) The said matter gives an image of Ai4Value as a highly inclusive company.

The Founder and CEO of Ai4Value, Katriina Valli, has been in the ADP (automatic data processing) industry for 25 years. She has a profound view of the AI business and extensive experience in the industry. Valli started her career at Nokia Networks that was at the time, and still is, a very international company. During her career, she has been in charge of customer acquisition and onboarding for acquired startup companies in the USA, done international cooperation with big global organizations, assisted in establishing a subsidiary in India in addition to been in charge of establishing a subsidiary in China. Therefore, different bureaucratic matters and cultural differences are familiar concepts to her. Prior to establishing her own company, she worked as a CEO in another firm for six months. Valli has had a determined goal to lead Ai4Value as an internationally operating firm since the beginning. Furthermore, the CEO has a very open attitude towards foreign talent, and she indeed believes that the next recruitments will mostly likely be internationals.

4.9.1 Recruiting International Employees

According to Valli, the profile of a forerunner received from the Talent Boost survey corresponds well to Ai4Value’s current international position. However, the CEO thinks that the survey was somewhat light and could have asked more complicated questions, and thus, she believes that the results do not necessarily give the best possible image about the reality. It is great that Valli does not take the received profile as an absolute face value per se but acknowledges that the reality might be somewhat different. Still, when it comes to the potential future hires, Valli asserts that *“It is very probable that many of our upcoming recruits are not necessarily originally from Finland due to competence matters”*, which highlights the Founder’s open attitude towards foreign experts.

Ai4Value operates in the rather small but rapidly growing industry of artificial intelligence that has very limited resources. The CEO Valli underlines that the recruitment grounds of the firm are to a large extent based on competence, which is what Bäckman, Inkinen and Koski also emphasize. Valli indicates that knowledge of the hard natural sciences, or the so-called STEM subjects of science, technology, economics and mathematics, are fundamental in the AI industry especially when coming up with novel solutions. She states that even though so far Finland has been bragging with its PISA results, Finnish people are lacking

with the STEM skills. Hence, Valli shares the thoughts with Grandell, Inkinen and Pirinen who all indicate that there are not enough qualified candidates among Finnish people, which is why it is necessary to hire more qualified international professionals. Ai4Value cooperates actively with universities and higher education institutes, and Valli states that it is a fact that most of those whose profiles are suitable for the company have moved to study in Finland from somewhere else. Hence, she indeed highlights that *“We simply do not have enough local [Finnish] resources.”* Therefore, *“The required know-how must inevitably be acquired outside of Finland.”*

According to the CEO Valli, one of the first principles that was defined during the establishment of Ai4Value was that it does not have any prejudices. The firm’s LinkedIn profile also displays that Ai4Value’s company values include non-discrimination and respect (Ai4Value, n.d.), which depicts the firm’s international image for potential foreign recruitments. On its website, it is indeed stated that *“We treat our employees, partners and customers with respect”*. Accordingly, Valli emphasizes that know-how is the only important thing whereas cultural background, skin color or sexual orientation et cetera do not matter at all when making recruitment decisions.

As per the Founder, for now, most of the job roles in Ai4Value are in the field of algorithm development and less related to business per se. Still, she emphasizes that there are no barriers regarding any position when it comes to the background of a potential employee. Valli highlights that if there is a very good applicant who is a good team player, has the required know-how and the desirable start-up mindset, it does not matter at all where the candidate is originally from or currently located nor what kind of background the individual has. *“We are completely open to everyone and ready to recruit anywhere in the world.”* As said, Ai4Value’s first international expert is originally from Pakistan, which can even seem somewhat exotic especially for Finns who do not have that high international mindset. Hence, it undoubtedly seems that the start-up has a very tolerant attitude towards foreign experts around the world.

Valli emphasizes the importance of international diversity as it can bring with it a number of different benefits. She underlines that higher diversity tends to lead to increased innovativeness, which is imperative when operating with product development. *“Colliding different viewpoints and ideas brings significant richness to us.”* The same is highlighted by

Koski and Timonen too. Valli also notes that foreign experts bring with them more courage to test also those technical ideas that are not necessarily completely ready yet. Testing the ideas that are still in progress facilitates further developments. As per the CEO, this mentality is however not typical among Finns. Furthermore, Valli emphasizes that cultural differences exist between the business operations of different countries. Hence, she highlights that since Ai4Value aims to build international business operations, cooperating and networking with foreign people who have necessary local knowledge is always valuable. This gives some support to the notion that foreign employees can have a positive effect on firm internationalization.

Regarding the potential challenges of having an internationally diverse workforce, Valli reminds that as different cultures have a different way of communicating, misunderstandings can naturally occur. She highlights that different cultures also have different built-in set of values, different understanding of what is the so-called normal conduct and normal manner to act as well as how hierarchy is understood for example. The amount of authority and responsibilities that employees typically have in their respective cultures can also differ. The CEO gives an example that Finnish IT companies are typically rather low hierarchical organizations whereas in some cultures, people are used to the practice that nothing is completed if the manager does not ask or approve. Hence, like some other company managers, Valli also seems to think that the potential challenges of international workforce diversity stem mainly from cultural differences.

Consequently, the CEO emphasizes that when practicing extensive international recruitments, it is important that the whole organization, its culture and values are built in a way that there is room for different ways of working. Valli highlights that understanding cultural differences and cultural sensitivity education are the key things in order to overcome the potential challenges of having an internationally diverse workforce, which is underlined by several other company representatives as well. She explains that even if in our country things are done in a certain way and we are accustomed to act in a specific manner, it does not mean that another culture's way would be any inferior to ours. Although the said matter is rather obvious, it is unfortunately not taken for granted by everyone, which is why Valli's statement serves as a good reminder. Like Bäckman, Valli underlines that open communication, knowledge and consciousness about each international employee's cultural

background and values are essential. She also points out that it is not appropriate to intervene in cultural differences as long as for example human rights are not violated.

Valli highlights that international leadership is successful when the managers perceive that it is completely normal that not all employees share the same cultural background. She continues to stress that these leaders do not 'make a big deal' out of the fact that the workforce is internationally diverse. According to the CEO, a prosperous international leader appreciates the employees regarding their work performance at the organization, and recognizes their importance in the work community both professionally and socially. Valli stresses that above all, regardless of where the employees are from, everyone is completely of equal value to the manager, which is what for example Pirinen also highlights. Hence, as per the managers, not relating condescendingly but showing respect for different cultures and taking everyone into account is an example of good international leadership. Consequently, the CEO of Ai4Value emphasizes that a good leader acknowledges that employees do not all have to be similar since diversity is indeed what brings richness to the organization. However, Valli remarks that regardless of the cultural background, not everyone can fit to each work community. Still, she considers that the suitability is typically more related to personality than to cultural matters per se.

Moreover, the Founder explains that it was especially previously not self-evident, and nowadays not always taken granted either, that for example at an organizational event, also non-alcoholic refreshments are served because people with certain religious backgrounds do not drink alcohol. The said is a good notice specifically regarding the Finnish culture in which alcohol can sometimes play a somewhat heavy role in organizational feasts as well. The example further highlights Valli's considerate and inclusive mentality as a company CEO. She adds that in an internationally diverse company *"...whispering in the hallways whether someone eats meat or drinks beer should definitely be non-existent."*

4.9.2 Entering Foreign Markets

Valli stresses that it is not enough that a firm follows its own industry but eyes have to be kept open to the whole world (Halonen, 2019). Accordingly, she highlights that a company must follow what is happening outside of its own territory and what people think about the world's situations (Halonen, 2019). The CEO underlines that Ai4Value has had international operations and aimed to build an international network from the very beginning, which

means that like Genelec and Sensible 4, Ai4Value is also a born global. As per the Founder, they are actively looking for new internationalization opportunities. *"Ever since the organization was founded, it has been a very conscious choice to be an internationally operating firm."* This depicts the firm's proactive rather than reactive approach towards internationalization. According to the CEO, they have never considered it as a forced must but completely unprompted and self-evident that Ai4Value is a company with international operations.

Valli highlights that the aim of the firm is to operate as internationally as possible in the future as well. The Founder stresses that her company has high ethical principles, and thus, she reflects that because of political and ethical matters, there may be certain totalitarian countries in which they do not want to expand to nor their algorithms to flow. Therefore, all foreign market expansions' limits are related to ethics only, and otherwise, Ai4Value is open to the whole world. Although understandable, it can require some courage to be honest about the said matter, and hence, Valli's transparency is to be respected.

The CEO and Founder highlights that above all, Ai4Value needs partners in order to succeed in international markets. She points out that even if service development and implementation are done anywhere in the world, customers always appreciate the possibility to have face-to-face interactions and to communicate with a person whom they can trust. Therefore, the CEO emphasizes that internationalization requires that either the organization itself or its reliable and educated partners are locally present in the regions where the firm wants to expand to, which depicts the important role of the firm's vast international network. Successfully handling all valuable international relations can indeed be challenging in a remote manner. Furthermore, in order to ensure that the company understands its international customers and cooperation partners, Valli's advice is to have everything in black and white in a written form instead of making any assumptions.

According to the Founder, from a business perspective, the first primary benefit of expanding abroad is having a bigger market, and hence, more customers to whom the solutions can be sold. Consequently, similar to four other managers, namely Eloranta, Inkinen, Naghian and Pirinen, Valli cannot consider that her company would operate only in Finland because the domestic market, and even the Nordic's market, is too small. Interestingly, Valli highlights that firm internationalization also leads to increased cultural

sensitivity and better understanding of the most reasonable expansion strategies in different foreign regions. Consequently, Valli emphasizes that having a broader understanding of the world and about each market's expectations are absolute advantages and typically the end results of foreign market expansion. Hence, she seems to reverse the logic compared to the literature as prior research assumes that cultural awareness precedes firm internationalization. Yet, it is rational that the awareness can increase during the actual international operations, and it is interesting that Valli gives support to the prospect.

Like Inkinen and Timonen, Valli considers that from the business perspective, the biggest challenge of entering foreign markets is building brand awareness. As per her, in order to build company visibility, knowledge of what kind of visibility should be built, where the brand should be visible as well as how and in which channels communication is handled are required. That is why Valli emphasizes the importance of having local agents. Hence, the CEO reminds that *"One cannot assume that all business activities in the world function the same way as in Finland"*. She further emphasizes that *"Even if we are accustomed to certain rules and principles, the same principles and rules do not apply around the world."* Valli explains that different laws and legislations related to working life, such as family leave in India, can lead to exceptional situations if one is not prepared for potentially special and unfamiliar circumstances. Thus, in order to overcome the potential challenges of firm internationalization, it is essential to be aware of the differences and to pay conscious attention to them. Consequently, she summarizes that lack of training, understanding and experiential know-how can potentially result in challenges in an international work environment.

Accordingly, Valli notes that a manager of an internationalizing company needs to comprehend what it means to have international operations, which is a reasonable requirement. Besides essential cultural sensitivity, the CEO indicates that a manager who is leading an internationalizing company is ready to and enjoys learning new things in a continuous manner. She points out that a successful leader is open to the likelihood that things do not work the same way as they are accustomed to, which indeed calls for the readiness to learn new. Valli gives a concrete example that for instance already the neighboring country of Sweden has very different ways of acting compared to those of Finland.

4.9.3 Conclusion

Ai4Value has consciously been an internationally operating company since its foundation, which means that the start-up is also a so-called born global. Although it has official operations only in Finland, it seems that the firm is ready to internationalize and has already taken steps towards it. In addition to already taking part of different international projects abroad through utilizing an extensive international network of over 150 foreign professionals, the company is also actively looking for new internationalization opportunities. Their aim is to operate as internationally as possible in the future too. Even though the company does not currently employ any permanent foreign professionals, it has recruited an international expert in the past, which indicates the readiness to hire foreign experts. Furthermore, Ai4Value displays its high readiness towards potential new foreign professionals through emphasizing that it is highly likely that the next recruits on the whole will be internationals due to competence matters. The company CEO and Founder highlights that as Ai4Value aims to build international operations, networking and cooperating with foreign people who have corresponding cultural knowledge is valuable for the company. This gives some support to the notion that foreign employees can have a positive effect on firm internationalization, which is what the firm's vast international network also depicts.

4.10 Sowellus

Sowellus is a software start-up specializing in key management (Sowellus Ltd, n.d.). The company was founded in 2015 and is headquartered in Helsinki. Its main service 'LokiTime' provides a modern digital solution for easy and safe key management (LokiTime Official Website). The cloud service can be utilized by various operators ranging from property owners to public and surveillance sectors (LokiTime Official Website). Sowellus is a market leader in its domestic market in Finland and has started to internationalize. The firm already has a few customers in Sweden, and 5 percent of the whole turnover comes from international sales. Sowellus has an enthusiastic and determined aim to "...become the world's leading provider of key management services." (Sowellus Lokitime, 2019) Its team is formed by five Finnish members, and Sowellus has not recruited any foreign professionals yet. However, now that the firm has taken the first steps towards foreign markets, it is in fact planning to recruit international professionals from the target market in order to take its international operations even further. Thus, Sowellus seems to initiate external internationalization prior to the internal one.

The CEO and Partner of Sowellus, Tuomas Pohjola, has worked as the firm's Managing Director since the company's foundation. Pohjola has previous work experience as a Key Account Manager of a Finnish magazine and he is currently also a Partner and CEO of a Finnish advertising agency. Together with his colleagues, Pohjola has built Sowellus around an open atmosphere and a mentality of working together. With an eager start-up mindset, the CEO seems to be excited to take his company forward to foreign markets. Through a determined attitude he indeed highlights that *"We are pursuing rapid international growth in the coming years."* (GoodNews from Finland, 2019)

4.10.1 Recruiting International Employees

The CEO Pohjola thinks that the profile of a forerunner received from the Talent Boost survey describes his company's current international position pretty well. *"We have a very advanced and this kind of a forerunner atmosphere."* However, as said, the company has not recruited any international employees yet. Still, now that they have started to internationalize, the CEO is planning to start recruiting foreign employees. His aim is to get enough hardcore experts to their team during the firm's growth period. Hence, interestingly, it seems that in the case of Sowellus, firm internationalization can in fact potentially lead to increased international workforce diversity although in the literature, the connection is typically reversed.

Consequently, regarding Sowellus' recruitment grounds of potential international employees, Pohjola could particularly recruit foreign professionals who have profound understanding of the company's service and target markets. Accordingly, he explains that it is important to comprehend how the software of LokiTime could potentially fit a foreign business market. As per Pohjola, for example experience of real estate or rental business gives a good starting point to understand how the service can be implemented to different countries. Furthermore, the CEO states that the future position of a potential international professional requires selling. Thus, he emphasizes that knowing local people through having a lot of contacts and being well networked naturally facilitates making sales. Pohjola also underlines the importance of language skills as he believes that it is more convincing to offer a service by a native speaker compared to a person who has a strong foreign accent. Hence, it is intriguing that Sowellus seems to be especially interested in recruiting international professionals from the foreign target markets because of the experts' beneficial local knowledge and networks as well as linguistic skills. Moreover, the company's idea at the

moment is that “...if we could find a good candidate who has a possibility to work either in the target country or partly here, the position would be that of a country manager.” Thus, Sowellus seems to be willing to give the potential foreign employee a position with big responsibilities, which indicates the firm’s trust towards international experts’ capabilities.

Accordingly, Pohjola acknowledges different benefits that foreign professionals can offer for an internationalizing company. He believes that through bringing new knowledge and viewpoints, international experts can add significant value to the firm. As per the CEO, foreign professionals bring beneficial external understanding as well as know-how of the culture and policies of their home countries’ markets. Furthermore, he highlights that the foreigners’ valuable networks will also open up to the use of the company. Pohjola even underlines that certain local contacts of the international professionals could potentially be recruited to some positions at Sowellus. This indicates the possibility of even more increased international workforce diversity. Hence, the CEO summarizes that the absolute benefits of foreign experts are related to the aspects of cultural know-how, language skills and international networks. *“It just takes you forward.”*

On the contrary, Pohjola considers that the biggest potential challenges of international professionals are related to cultural matters, which is what several other managers also highlight. He states that the combination of cultural differences and poor cultural understanding can potentially result in misunderstandings. The CEO also speculates how worthy it is to be dependent and rely on the local knowledge of only one international expert per foreign market. Hence, Pohjola states that finding local partners and consultants for instance who can give relevant bigger picture factual information about the exporting market, its legislation and competitive situation et cetera could facilitate overcoming the potential challenges. Therefore, it seems that Sowellus is receptive to utilize and receive support from foreign experts of the corresponding target markets. Reasonably, the firm seems to acknowledge that locals might understand the respective foreign matters better than the company itself. That is indeed imperative in order to succeed internationally. Consequently, Pohjola describes that a successful leader of an internationally diverse team is broad-minded, empathetic, innovative, as well as able to adapt to different situations. Moreover, he emphasizes the importance of having a desire to learn because *“...leading international teams is nothing but learning for the leader...”*

The CEO and Partner of Sowellus believes that there are a few different reasons why a number of Finnish firms have a significant threshold to recruit the first international professional. He states that some companies might imagine that they can start expanding abroad from home without any foreign experts. Yet, Pohjola underlines that those companies will probably soon realize that it is not that simple to sell independently in a foreign market. Due to his open-mindedness towards international experts and acknowledgement of foreigners' beneficial knowledge, it seems that Pohjola knows what he is saying. As per him, another potential reason is that some firms might falsely assume that marketing online is enough for acquiring international customers. Thus, Pohjola emphasizes that in order to have successful international operations, physically entering the foreign market might be required.

Thirdly, Pohjola reflects that some companies may consider that it is never the right time to recruit a foreign professional. He explains that these firms typically have a mentality of doing everything by themselves at first while delaying the possibility to recruit any international experts. Lastly, as per him, for some businesses the reason might be behind the high recruitment expenses as well as the risks of hiring an unfamiliar international employee. Pohjola summarizes that not having the courage to onboard a foreigner and not trusting nor believing that internationals can indeed add value to the exporting can be some of the reasons why Finnish SMEs have such a substantial threshold to recruit the first international professionals. While it is unfortunate that the said thresholds exist, Pohjola's reasonings are rational.

4.10.2 Entering Foreign Markets

When it comes to Sowellus' international position and direction in the future, Pohjola underlines that *"We see good opportunities to make this a successful international company."* Sowellus is growing on a fast phase with its unique service (Sowellus Lokitime, 2019). The market is still untapped but its size can be estimated to be around 30 million euros in Finland alone and 5,000 million euros globally (Sowellus Lokitime, 2019). Hence, it seems that the firm has found a business opportunity with potentially high profitability. With the help of Business Finland's internationalization funding, Sowellus has already developed comprehension of the regulatory and competitive environments in its target markets in the Nordic countries as well as Central Europe (GoodNews from Finland, 2019). Finland continues to be the main market, but the firm's service has already been adopted in Sweden as well as in Denmark and Norway (GoodNews from Finland, 2019). Interestingly,

LokiTime's benefits have also been recognized by big international real estate and property management firms, like Newsec (GoodNews from Finland, 2019). Accordingly, the CEO highlights that *"We are now looking for growth funding to enter the markets as soon as possible."* (GoodNews from Finland, 2019).

Pohjola explains that now that they have piloted the Finnish market from scratch in five years, Sowellus is eager to move forward abroad. As per him, they have indeed started to look for internationalization opportunities and are currently focusing particularly on the Swedish market. He states that the digitalization in Sweden is already more advanced, and thus, the country is ready to dismiss older operation models and introduce new services in return. Furthermore, the CEO considers that Swedish culture has somewhat similar values with that of Finnish, which makes it easy to operate with them especially if one can speak a little Swedish. Besides Finnish and English, the company websites are also in Swedish, which indeed indicates the firm's focus on the market of Sweden.

Consequently, five business students of Aalto University have completed a business project about the internationalization opportunities of Sowellus. Their research analyzes the market potential of Sweden, Spain and the UK. Based on their market research of the three countries, the students recommend Sowellus to initiate internationalization to Sweden. Their reasoning for Sweden being the most promising target market is based on the country's good market size and end-customer groups, relatively low level of competition as well as high ranking for the ease of doing business. Furthermore, as per the business students, Sweden already has potential partnership opportunities since a number of security companies are located in Sweden and potential Swedish co-partners have business presence in Finland. The research group also highlight the benefit of Sweden's close geographical proximity in providing improved customer support and management possibilities. Furthermore, they emphasize that out of the three countries, the culture of Sweden is the most similar to that of Finland. Like Pohjola, the students state that Sweden's similar business culture can facilitate the market entry. (Kitinoja et al., 2018) Sweden is typically indeed one of the first internationalization targets for many Finnish firms (Finland Relocation, 2016). However, despite being neighboring countries, the cultures of Finland and Sweden are not identical and there is in fact a lot of research underlining the differences between the two. Valli from Ai4Value also emphasizes that Sweden has very different ways of acting compared to those of Finland.

Pohjola states that based on earlier research, there is no corresponding competitive service in any market. Therefore, he underlines that now that this type of a service model opens, it is the time to export rapidly before there are other international competitors. Hence, the company CEO seems to be eager to internationalize his company and possesses the required courage to do it. The CEO explains that Sowellus has a very well-developed service that solves certain challenges, and basically the same service can be exported directly with a similar model abroad. The company's rapidly scalable business model helps Sowellus on its way towards becoming the world's leading provider of key management services (Sowellus Lokitime, 2019). Thus, as per Pohjola, any further service developments are probably not needed if the target country has somewhat similar business culture and policies. Many company managers indeed highlight the importance of being aware of the respective culture and policies in the foreign target markets. Pohjola's idea is that Sowellus will use a similar concept to expand its operations country by country. *"Since our company is still somewhat small and at the beginning, our aim in the future is to expand to one country at a time."* Pohjola explains that once the service need has been piloted properly in the target markets and sales have been launched, the future aim is to start establishing local offices. The CEO highlights that the biggest business benefits of entering foreign markets are certainly the possibility to multiply the company's turnover and growth.

Regarding the biggest challenges of firm internationalization, Pohjola highlights that it is possible that sales are not made as fast as desired because it can be very challenging to acquire the first customers. He states that uncertainty with a new country might first result in ineffective marketing. It can also be time-consuming to win the international customers' trust regarding a new foreign brand. Yet, the CEO believes that once the first customers have been acquired, the snowball effect can be significant. A very careful background work and thorough planning can help in overcoming the potential challenges of entering foreign markets according to Pohjola. Great groundwork helps Sowellus to grow its customer base on a fast phase in Finland as well as to expand into selected international markets (Sowellus Lokitime, 2019). Pohjola highlights that it is important to know how the implementation has to be carried out in each country; whether it is effective to have TV advertisements in prime time or to complete 50 rounds of local trade fairs for instance.

Consequently, in order to succeed in international markets, the Managing Director lists that investments and financial support are definitely needed in addition to knowledge and

consultation as well as the right people to help in implementing the operational side. He highlights that *“It is absolutely certain that if international markets are entered, it is expensive in the beginning because mistakes will be made.”* Pohjola also underlines that one must be ready to take a risk because it is not certain that the market entrance succeeds at all. *“Furthermore, it will definitely be significantly slower than in the home country where all knowledge and contacts already exist.”* Accordingly, although Pohjola seems to be very determined in internationalizing his company, he is also humble and acknowledges that it is not going to be easy. An internationalizing manager indeed needs to be both.

For an internationalizing company manager, Pohjola emphasizes the importance of language skills. *“One can manage with English to a large extent since it is practically an international language that everyone knows.”* Yet, Pohjola adds that *“An absolute advantage is to know other languages because it facilitates communication and understanding.”* He also emphasizes the importance of trusting that the foreign experts know significantly more about the corresponding international markets than the leader himself knows. Furthermore, the CEO underlines that *“Surely, being an international person who has traveled a lot and possibly worked abroad...”* can be beneficial when leading an internationalizing company. He adds that *“It broadens one’s horizons significantly if one has seen the world and cultures.”* These matters are also underlined in the research.

4.10.3 Conclusion

Sowellus has already taken the first steps towards internationalization, and the firm seems to be excited to increase its international operations even further. The company has a determined aim to pursue rapid international growth in the upcoming years. The CEO sees great opportunities to turn Sowellus into a successful international firm. The start-up currently employs five Finnish people and does not have any international employees yet. However, interestingly, now that Sowellus has started to internationalize, the CEO is planning to recruit foreign professionals from the target markets. Pohjola seems to believe that due to international experts’ beneficial cultural and linguistic knowledge as well as valuable local networks, foreign experts could potentially help Sowellus to take its international operations even further. Therefore, it seems that in the case of Sowellus, firm internationalization can in fact potentially lead to increased international workforce diversity. Furthermore, the company CEO also seems to believe that international employees can add significant value to the firm through having a positive effect on facilitating the

foreign market entry as well as the subsequent international operations. This indicates that in the case of Sowellus, international employees can potentially have a positive effect on firm internationalization too. Moreover, the company CEO indicates that certain local contacts of the foreign professionals could be hired to Sowellus indicating that having international employees can also lead to increased consecutive international workforce diversity. To conclude, there seems to be a potential positive mutual connection between international workforce diversity and firm internationalization in the case of Sowellus.

5. DISCUSSION

The preceding chapter of within-case analysis focuses on analyzing the data and findings of each case company in detail. In order to answer the research question of this study, “*How are international workforce diversity and firm internationalization connected to each other?*”, the following cross-case analysis draws comparisons of the similarities and differences regarding the case companies. This approach enables to separate firm specific antecedents concerning the companies’ organizational capabilities and readiness to internationalize from the ones that seem to be commonly shared among the selected SMEs. Furthermore, the case companies are also compared and discussed in the light of the literature. Interestingly, although in the existing research, the potential effect of firm internationalization on international workforce diversity is vague, the empirical findings of this thesis provide novel insights of the potential connection. This study indicates that different firm internationalization factors can in fact work as a basis for recruiting international professionals even though in the literature, the connection is typically reversed.

The cross-case analysis is divided into five sections. The first section compares the companies regarding their internal and external internationalization levels. The second section considers the potential effects of international professionals on firm internationalization, or proactive internationalization, giving support to the current literature. The third section focuses on how firm internationalization can possibly affect the recruitment of foreign experts, or reactive internationalization, providing novel insights of the potential connection. The fourth section discusses the essential role of managers in both recruiting and leading international professionals as well as managing their companies during the process of firm internationalization. In both internationalization concepts, it seems to be

critical that the managers can turn their international capabilities into organization-wide competence, which is another important finding of this study. The final section completes the chapter through presenting the main conclusions. The sections 2 and 3 include summarizing flowcharts to clarify the potential connections between internal and external internationalization. The section 4 contains another flowchart depicting the managers' crucial role in both internationalization concepts. Finally, the section 5 concludes the whole study through establishing a virtuous circle that presents the mutually supportive relationship between internal and external internationalization.

5.1 Cross-Case Analysis

5.1.1 Comparison of Internal and External Internationalization Levels and Grounds

As can be seen from the table below, the case companies of this thesis are quite diverse, which allows to draw comparisons across them. Interestingly, even though the companies have somewhat different internationalizations levels, each firm received the same profile of a forerunner from the Talent Boost survey. This means that they are already well-equipped to recruit and lead international employees (Business Finland, 2020a). Also those companies that are not that international yet when it comes to their personnel seem to have a positive attitude towards recruiting foreign professionals, and hence, it is somewhat challenging to make comparisons based on the survey profile.

Table 11 An Overview of the Case Companies

Company	Founded in	Internal Internationalization		External Internationalization	
		Number of Employees	Foreign Employees (in %)	Status of Int. Operations	Int. Sales (in %)
Adventure Club	2014	25	20	Ongoing	20
Ai4Value	2018	2	0	First steps	20
Benete	1997; active since 2016	6	66	Planning to internationalize	0
Finders Seekers	2018	15	20	Planning to internationalize	0
FinVector	1993	210	12	Ongoing	100
Genelec	1978	165	40	Ongoing	80
Medikro	1977	32	15	Ongoing	65
Sensible 4	2017	57	31	Ongoing	70
Sowellus	2015	5	0	First steps	5
Vaadin	2000	111	50	Ongoing	90

(Sources: Company websites and representatives)

Looking at the internal internationalization levels of the companies' Finnish headquarters, or the foreign employee percentage of the whole personnel in Finland, which also refers to international workforce diversity, the companies are somewhat dissimilar. The respective internal internationalization numbers depicted in the table refers to the companies' employees located in Finland. The firms differ from each other regarding how many people they employ altogether as well as concerning the relative percentage of foreign employees out of the whole personnel. The differences range for example from Ai4Value employing altogether only two people to FinVector with 210 employees, and from Sowellus that has not recruited any international employees yet to Vaadin and Benete whose numbers of non-Finnish professionals account for half and over half of their whole workforce.

The external internationalization levels of the companies referring to firm internationalization in the form of foreign market entries and international operations are also different. In this regard, the table presents the case companies' firm internationalization status, meaning whether they already have ongoing international operations or if they have only started to plan entering foreign markets or taken the very first steps towards firm internationalization. Besides the firm internationalizations status, the table also presents the companies' international sales percentage out of the whole turnover. The external internationalization levels range from Benete and Finders Seekers, which do not have any international sales yet as they are only at the planning phase, to Vaadin and FinVector, which already have extensive ongoing international operations. Consequently, Vaadin and FinVector's shares of international sales from the whole turnovers are very significant, being 90 and 100 percentage respectively.

Scrutinizing Genelec, Sensible 4 and Vaadin, their internal and external internationalization levels seem to go hand in hand because they all have somewhat significant foreign employee as well as international sales percentages. Considering the smaller firms of Ai4Value, Finders Seekers and Sowellus, which are all in the beginning of internationalization, each of them has rather low levels of international sales and foreign employee percentages. Therefore, in these case companies, the internal and external internationalization levels seem to follow the same trail. Although the same pattern does not apply to all case firms, this result gives some support to the notion that international workforce diversity and firm internationalization might be somewhat connected to each other. However, the figures may

not tell the whole truth, and thus, it is important to compare the selected SMEs in more detail in the following sections.

Recruitment Grounds of International Professionals

Over half of the interviewed company representatives (namely from Ai4Value, Benete, Finders Seekers, FinVector, Genelec, Sensible4 and Vaadin) explicitly highlight that in their recruitment processes, the nationality and cultural background of a potential candidate is completely indifferent. Yet, it is important to acknowledge that unconscious biases may persist. Still, interestingly, the said refers very closely to the world-oriented or geocentric manager introduced by Perlmutter (1969). Accordingly, a geocentric manager does not associate superiority with certain nationality but has a world-wide attitude instead (Perlmutter, 1969). For example, the HR Director of FinVector emphasizes that the company's recruitment market consists of the whole world while the Senior Tech Talent Strategist from Finders Seekers underlines that her basis is always to find the best candidates regardless of their nationalities or countries of residence. Consequently, over half of the case companies (namely Adventure Club, Ai4Value, Benete, Finders Seekers, Sensible4 and Vaadin) indeed emphasize that the firms' priority recruitment grounds are based on know-how, competence and skills. These companies all aim to find the top professionals for the respective jobs. Perlmutter (1969) emphasizes that the personnel policy of a geocentric firm acknowledges that regardless of the nationalities, the best professionals of the world are recruited and developed for the key positions. These notions seem to regard that both an international as well as a domestic candidate can be equally qualified, which is what the CEO of Benete in fact emphasizes.

The CEO of Adventure Club highlights that foreign experts typically have more international experience compared to Finnish candidates with otherwise similar job experiences. Therefore, for him, it has been easy to continue discussions with the international applicants. Likewise, the CEO of Medikro underlines that in an international firm, a non-Finnish candidate might have an advantage based on the international experiences. Consequently, Svärd (1982) and Kuivalainen et al. (2010) both stress that the lack of skillful employees who have international experience is often a significant barrier to firm internationalization. Thus, in this respect, the CEOs Eloranta and Timonen seem to align with the literature to some extent.

Yet, half of the company representatives (namely from Adventure Club, Ai4Value, Finders Seekers, FinVector and Vaadin) underline that one of the main reasons for recruiting international professionals stem from the fact that there is a lack of qualified experts among Finnish people. Therefore, for these firms it has been inevitable to look for and acquire candidates who are originally not from Finland. Dichtl et al. (1990) emphasize that the unavailability of competent employees is typically one of the main challenges of companies' external internationalization. Still, although all of the selected SMEs either have international operations or are about to take the first steps towards foreign markets, in this respect, the company representatives do not explicitly refer to their international operations. Thus, direct comparisons with the notion of Dichtl et al. (1990) cannot be made.

Table 12 Main Recruitment Grounds of International Professionals

Company	Nationality is Indifferent	Know-How is Prioritized	Lack of Experts in Finland
Adventure Club		X	X
Ai4Value	X	X	X
Benete	X	X	
Finders Seekers	X	X	X
FinVector	X		X
Genelec	X		
Medikro			
Sensible 4	X	X	
Sowellus			
Vaadin	X	X	X

(Source: Interviews)

To summarize, the case companies' main recruitment grounds of international professionals seem to be based on the candidates' know-how as well as the fact that there is not enough experts in Finland whereas the applicants' nationalities are irrelevant. In this regard, the empirical findings seem to be somewhat aligned with the theory as well. Indeed, if companies want to hire the most knowledgeable candidates, it is inevitable to look outside of the home country borders. Population wise, Finland is after all a very small country.

Recruitment Market of International Professionals

The table below compares the case companies' recruitment markets of international professionals referring to whether they have recruited the foreign experts from the Finnish recruitment market or directly from abroad.

Table 13 International Professionals Recruited from Finland

Company	International Professionals Recruited from Finland (in %)
Adventure Club	95
Ai4Value	100
Benete	100
Finders Seekers	100
FinVector	70
Genelec	Minority
Medikro	100
Sensible 4	50
Sowellus	N/A
Vaadin	25

(Sources: Company representatives)

As depicted in the table above, most of the case companies have recruited the majority of their international professionals from Finland instead of directly from abroad. This indicates that Finnish SMEs can find international professionals from the Finnish recruitment market, and thus, it may not be necessary to invest resources in searching for candidates outside of the domestic labor market. Yet, naturally, if the recruitment market is not restricted to the home country, there is a wider variety of potential candidates. Still, recruiting employees from abroad requires relocating foreigners to a new country, which can be very expensive and more demanding. Depending on the company, the relocation packages can include covering for the flights with a potential pre-visit, bureaucratic official paper work regarding applicable visa, work and residence permits as well as offering a temporary accommodation. Hence, understandably, it is simpler as well as cheaper to recruit employees from the home country, which allows to avoid the relocation process. Looking at the case companies of this thesis, it indeed seems that especially the smaller SMEs have recruited all or most of their

international professionals from Finland while bigger firms of Genelec and Vaadin have hired most of their foreign experts from abroad. Thus, Genelec and Vaadin seem to be exceptions in this matter. Perhaps the underlining reason for that stems from the fact that larger companies have more resources to financially support international professionals to relocate to Finland from abroad.

Basis of Foreign Market Entry

According to Rivas (2012), rather than a competitive advantage, international expansion is nowadays actually an economic necessity for many firms. Accordingly, the smallness of markets in Finland limits the domestic growth of Finnish SMEs, and hence, internationalization is a significant and often the only option to secure the growth of these companies (Svärd, 1982). Indeed, half of the company managers (namely from Ai4Value, FinVector, Genelec, Medikro and Vaadin) specifically underline that for their firms, it is inevitable to enter foreign markets because the domestic market of Finland is simply too small. Hence, some of the company representatives (namely from Ai4Value, Benete, Sensible 4 and Sowellus) stress the opportunity of firm internationalization to reach a bigger market and more customers, which can potentially lead to increased company growth and sales. Moreover, the representatives of FinVector, Genelec, Medikro and Vaadin explicitly highlight that seeking international growth is not optional but essential in order for the companies to survive as operational enterprises. Some of the company representatives also underline that internationalization is a common norm as well as a requirement in order to have a future in the respective industries in which they operate in. All in all, the empirical findings in this respect seem to align with the literature well.

Firm Internationalization Status of the Case Companies

There are surprisingly many similarities regarding in which countries the case companies of this thesis have expanded to or are planning to enter. The USA and Germany are the most common markets. Three SMEs, namely Genelec, Medikro and Vaadin, have offices or subsidiaries in the USA while most of FinVector's customers are located there. Three firms, namely Adventure Club, Medikro and Vaadin, have offices in Germany. When it comes to other European countries, Genelec has an office in Sweden while Sowellus is aiming to expand there. Genelec has also an office in Denmark while one of the employees of Sensible

4 is located in the country. Moreover, Benete is primarily planning to open connections to Denmark and the Netherlands, and Adventure Club on the other hand already has an office in the latter market. FinVector has an office in England while Medikro has representative offices in Italy and Spain. Regarding the Asian countries, Genelec has subsidiaries in Japan and China while one of Sensible 4's employees is located in the former market and Medikro has a one-person office in the latter one. Besides the international offices and subsidiaries located in the said markets, many of the case companies offer their products and services in many other countries too.

Somewhat understandably, most of the established offices and subsidiaries of the case firms are located in Europe. The underlying reasons for that are likely to stem from the physical closeness and ease of doing business inside of the EU, England being an exception as it is not part of the EU anymore. The USA is one of the world's biggest market economies, which explains why many companies have a desire to expand there. As an emerging market, China offers a huge business potential for companies, being a desirable target market. Finally, Japan has a high level of technological expertise, which can explain why Genelec and Sensible 4 both offering high-tech solutions have operations in the country.

Table 14 Firm Internationalization Status of the Case Companies

Company	Firm Internationalization Status
Adventure Club	Offices in Germany and the Netherlands. Customers and sales acquired in many other countries as well.
Ai4Value	No international offices but takes part in international projects in different countries abroad. Utilizes an international network of over 150 professionals around the world.
Benete	No international offices. Planning to open connections primarily to Denmark and the Netherlands.
Finders Seekers	No international offices but is planning to internationalize.
FinVector	An office in England. Customers located mainly in the USA.
Genelec	Subsidiaries in the USA, Japan and China, and offices in Sweden and Denmark. Around 100 importers and a distributor network in 80 different countries. Products offered worldwide.
Medikro	One-person office in China, representative offices in the USA, Germany, Italy and Spain. Distributor network of products covers over 30 countries.
Sensible 4	No international offices. One person located in Denmark, and a business development director working in Japan to acquire customers from the Asian market. Close cooperation with other international companies.
Sowellus	No international offices but has started to internationalize focusing on the Nordics, specifically Sweden. Already has a few customers in Sweden.
Vaadin	Offices in the USA and Germany. Individual subcontractors working remotely in Argentina, Spain, Russia and France.

(Sources: Company websites and representatives)

Now that the case companies' internal and external internationalization levels and grounds have been compared to each other and discussed in the light of the current research, the following sections focus on the potential relationship between the two key concepts.

5.2 Proactive Internationalization – Recruitment of International Professionals Drives Firm Internationalization

Current research as well as the empirical findings of the case companies both suggest that companies can leverage from international professionals' skills and knowledge in firm internationalization. This refers to proactive internationalization meaning that the already existing foreign experts can facilitate the following international operations of external internationalization. According to the literature and the empirical findings, international professionals can facilitate both new foreign market entry as well as the subsequent international operations. The benefits of international professionals in firm internationalization stem especially from their foreign market knowledge, cultural competence, language skills, international networks as well as innovativeness and creativity. The said benefits are highlighted by the empirical findings and in the conceptual framework. The flowchart below summarizes the potential connection, which will be explained in the following sections in more detail.

Proactive Internationalization

Recruitment of international professionals drives firm internationalization

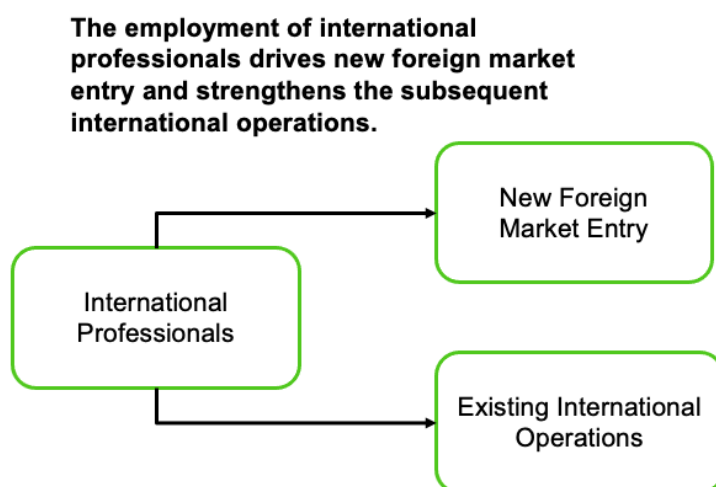


Figure 2 Proactive Internationalization

5.2.1 Importance of Competent Personnel in Firm Internationalization

In general, the competitiveness of a company is significantly based on competent personnel (Svård, 1982). Consequently, in international markets, the real competitiveness of a firm derives crucially from the knowledge, skills and attitudes of the employees and executives (Svård, 1982). Hence, as per Svård (1982), both the company management and workforce play important roles in the process of firm internationalization. Consequently, Nummela et al. (2006) highlight that in order to obtain the necessary and required resources and skills for internationalization, it is probable that a company needs to diversify its employee pool. Oreopoulos (2011) underlines that there is an increasing global competition to attract talented migrants since immigration can indeed provide companies with highly-skilled international professionals. The beneficial human capital of skilled migrants can become an important strategic resource to firms (Zikic, 2015). Hence, competent personnel seems to be essential for companies' competitiveness overall, and the importance is highlighted even more when the aim is to acquire international operations.

Indeed, the same is emphasized by the company representatives of Genelec, Medikro and Sensible 4 as well. The CEO of Medikro underlines that when the aim is to succeed in international markets, people form the greatest resources and assets. Siamāk Naghian, the CEO of Genelec, specifically stresses that foreign professionals have facilitated firm internationalization of his company. Therefore, according to him, international personnel is one of the main required resources for Genelec's success in international markets. Likewise, the HR Manager of Sensible 4 emphasizes that the required resource to succeed in international markets is precisely the people.

Foreign Knowledge of International Professionals

Lindstrand (2003) underlines that possessing necessary knowledge is a crucial factor and one of the most competitive capabilities of an internationalizing company. Sui et al. (2015) highlight that immigrants have profound foreign knowledge especially of their home countries. Consequently, Mohr and Shoobridge (2011) emphasize that when initiating firm internationalization, an international employee pool can support companies to enhance their capabilities to sense and assess different internationalization opportunities as well as to deal with the challenges posed by globalization due to their varied and beneficial knowledge and

information of foreign markets. Several case company representatives also highlight the valuable foreign knowledge of international professionals.

Accordingly, the CEO of Adventure Club underlines that recruiting foreign experts leads to the opportunity to develop business operations forward more naturally in an international environment since foreign professionals typically have essential knowledge of the legislation and customers of the corresponding target markets abroad. The CEO Timonen states that foreign employees' cultural backgrounds are richer compared to those individuals who have only lived and worked in Finland and received a Finnish education. Hence, Adventure Club has benefitted from the internationals' knowledge and perspectives since through them, the company has been able to expand its customer portfolio and offer services to clients in new countries. Likewise, the Tech Talent Strategist of Finders Seekers underlines that international experts have valuable knowledge of their home countries' markets and businesses, which is advantageous for Finders Seekers as the company's aim is to start expanding its business abroad. Indeed, the firm has already benefitted from its current international professionals in inspecting a potential corresponding foreign market.

Similarly, the company representatives of Benete, Sensible 4 and Sowellus emphasize the benefit of international professionals' foreign know-how concerning the international markets, specifically from the cultural and practical perspectives. The CEO Bäckman explicitly highlights that international experts' know-how can facilitate market entry to the respective foreign country. One of the firm's current international professionals has in fact already assisted Benete's foreign market research as the company is planning to enter the first foreign markets still during this year. Hence, half of the case companies emphasize the potential benefit of international professionals' foreign knowledge in firm internationalization, which gives support to the literature's notion in this regard.

Cultural Knowledge and Language Skills of Foreign Professionals

The lack of skillful employees who have international experience and required language skills are often significant hindrances for firm internationalization (Svärd, 1982; Kuivalainen et al., 2010). Consequently, Mohr and Shoobridge (2011) highlight that international professionals can facilitate maintaining the valuable stakeholder relationships in host markets when they share the same linguistic and cultural background with the locals of the

target market. Thus, according to them, cultural diversity can positively impact a firm's capabilities to initiate, manage as well as develop international activities. Almost all of the case company representatives highlight the benefit of international professionals' cultural knowledge and language skills regarding foreign market entry as well as the subsequent international operations. The company representatives of Ai4Value, Genelec and Vaadin all underline the cultural and linguistic benefits of having different nationalities onboard when operating in international business. The CEO of Medikro emphasizes that the said benefits can give an opportunity to operate more naturally in the respective exporting markets.

Likewise, the HR Director of FinVector stresses that since international professionals know how things work in their home countries, they can assist the employer company to successfully maintain the consequent international relations. The CEO of Adventure Club strongly encourages companies to recruit international employees if the aim is to export a service to foreign markets. He highlights that internationals' cultural background can open new possibilities that few Finnish people can offer. Besides cultural competence, the CEOs of Benete and Sowellus underline the benefit of international professionals' language skills as facilitating factors of foreign market entry. Pohjola accentuates that international experts can add significant value to the firm through having a positive effect on taking the company's international operations even further once foreign markets have been entered.

International Networks of Foreign Experts

Lindstrand (2003) highlights that networks are essential resources possessing valuable knowledge, which a company that develops its international business can potentially benefit from. Accordingly, Ivarsson and Alvstam (2013) emphasize that companies can utilize their current networks to recognize novel business opportunities in foreign markets while Lindstrand (2003) underlines that firms can also benefit from their networks when evaluating the potential of a foreign expansion. Consequently, Zikic (2015) stresses that skilled migrants typically have foreign networks and contacts, which can be valuable for companies when connecting to new international markets.

Over half of the case company representatives (namely those from Ai4Value, Benete, Finders Seekers, Genelec, Medikro, Sensible 4 and Sowellus) of this study emphasize the international networks of foreign experts as beneficial resources when entering markets

abroad. The CEO of Genelec highlights that for a globally operating company, international workforce diversity is beneficial due to the consequent international networks. Naghian indeed underlines that foreign professionals and international networks acquired through the experts have helped the firm to overcome the challenges of entering foreign markets. Grandell from Finders Seekers emphasizes the importance of networks in order to succeed in international markets as she believes that having recruitment professionals and networks in different countries where the company possibly wants to expand can be beneficial assets. The CEO of Sowellus states that foreign experts' valuable networks will also open up to the use of the company. Interestingly, Pohjola believes that certain local contacts of the foreign professionals could potentially be recruited to some positions at Sowellus. Hence he seems to consider that the international network could even result in increased international workforce diversity within the firm.

Innovativeness and Creativity of an Internationally Diverse Workforce

Moreover, since people's abilities to solve problems and learn from experiences as well as attitudes and beliefs generally vary between different groups, increased heterogeneity and international diversity also tends to lead to more diverse perspectives, which typically increases innovativeness and creativity (Robinson & Dechant, 1997). Accordingly, Ely and Thomas (2001) emphasize that companies that have internationally diverse workforce can benefit from the diversity when the aim is to gain access to and legitimacy with diverse, possibly previously unreachable, markets and customers as well as to overall recognize more internationally varied business opportunities. The CEOs of Genelec and Adventure Club both highlight the benefit of increased innovativeness that stems from an internationally diverse workforce. The CEO of Adventure Club highlights that international professionals who have experience from a number of different countries can find openminded solutions, which is indeed beneficial when operating in an international scale.

5.2.2 International Professionals' Effect on Firm Internationalization

Both the current research as well as the empirical findings of this thesis seem to suggest that international professionals can have a positive effect on firm internationalization, both in terms of foreign market entry as well as the subsequent international operations. The benefits stem especially from the international experts' foreign market knowledge, cultural competence, language skills, international networks as well as innovativeness and creativity.

Parrotta et al. (2016) highlight that companies are more and more commonly aiming to increase their international workforce diversity in order to expand their international business. Some studies even underline that organizations that are more internationally diverse typically perform better in foreign markets compared to rather monocultural firms (Parrotta et al., 2016). Consequently, Mohr and Shoobridge (2011) found that there seems to be a positive effect of international workforce diversity on firm internationalization. On the contrary, Mohammadi and Schnepfer (2015) have studied cultural diversity's contribution on the internationalization process, and they highlight that a low level of cultural diversity can in fact be one of the reasons for poor internationalization performance.

Accordingly, Head and Ries (1998) as well as Pennerstorfer (2016) state that there seems to be a positive connection between the number of migrants in a company and exporting activities of the firm. Hence, increased number of immigrants tends to lead to trade growth between the host and home countries of the migrants (Dunlevy & Hutchinson, 1999). The migrants' knowledge of and connections to their home countries can serve as superior information of potential market opportunities, which can all decrease the transaction and fixed costs of international trade (Head & Ries, 1998; Pennerstorfer, 2016). Pennerstorfer (2016) explains that the networks in their home country, important cultural knowledge and language skills are some of the features that can explain the causal relationship between the immigrants employed in a company and the exporting propensity of that firm.

Therefore, an internationally diverse workforce's heterogeneous experience and knowledge of foreign substances as well as international border-crossing networks (Andersson & Florén, 2008; Mohr & Shoobridge, 2011) can all facilitate firm internationalization through reducing entry barriers and uncertainty to as well as providing stimuli for the foreign market entry (Mohr & Shoobridge, 2011). Some authors are convinced that cultural diversity is fundamental for firm internationalization (Mohr & Shoobridge, 2011; Özturgut, 2017). These perceptions give support to the notion that international professionals can indeed have a positive effect on firm internationalization, and it seems that they can potentially facilitate both new foreign market entry as well as the subsequent international operations.

All case companies of this study highlight the benefit of international professionals in firm internationalization sharing the notion with the literature. Some give support specifically in

the light of new foreign market entry while others underline the benefits regarding the subsequent international operations. The potential benefits of international workforce diversity stem from foreign professionals' valuable cultural competence, language skills, foreign market knowledge, networks and innovativeness. Interestingly, and quite understandably, specifically those companies that are taking the first steps towards firm internationalization highlight the benefit of international professionals regarding new foreign market entries whereas those firms that are already operating in foreign markets, underline the benefits of having international professionals concerning the subsequent international operations that they have achieved after entering markets overseas.

Table 15 Int. Professionals' Benefits in New Foreign Market Entry vs. Existing Int. Operations

Company	New Foreign Market Entry	Existing International Operations
Adventure Club	X	X
Ai4Value	X	
Benete	X	
Finders Seekers	X	
FinVector		X
Genelec	X	X
Medikro		X
Sensible 4		X
Sowellus	X	
Vaadin		X

(Source: Interviews)

5.3 Reactive Internationalization – Recruitment of International Professionals Follows Firm Internationalization

Interestingly, although in the literature, the potential effect of firm internationalization on international workforce diversity is vague, the empirical findings of this thesis give support to the potential connection. This indicates that external internationalization can in fact work as a basis for recruiting international professionals, which refers to reactive

internationalization, meaning that recruiting international employees is actually a result of firm internationalization. The empirical findings of this study suggests that there are altogether three different external firm internationalization factors that can lead to recruiting international professionals. The factors are (1) planning to enter a specific target market, (2) the actual foreign market entry, and (3) future aim to increase international operations.

In more detail, the first factor refers to that companies may want to recruit local international professionals from the planned target market because they believe that local experts can be beneficial in the new foreign market entry to the respective country. This factor is especially highlighted by those companies that are just about to internationalize to a specific country. The second factor refers to that foreign market entries can result in increased employment opportunities of international professionals. Here, one of the case company representatives explicitly highlights that the firm has been able to recruit even more skilled international experts once the firm has entered certain foreign markets. When it comes to the third factor, one of the case company representatives states that they will potentially need more international professionals in the future because of the company's aim to increase its international operations. The company representative highlights that increased international operations will potentially lead to more complex challenges, and international professionals can then facilitate to overcome those challenges.

Reactive Internationalization

Recruitment of international professionals follows firm internationalization

International professionals are recruited as a consequence of firm internationalization.

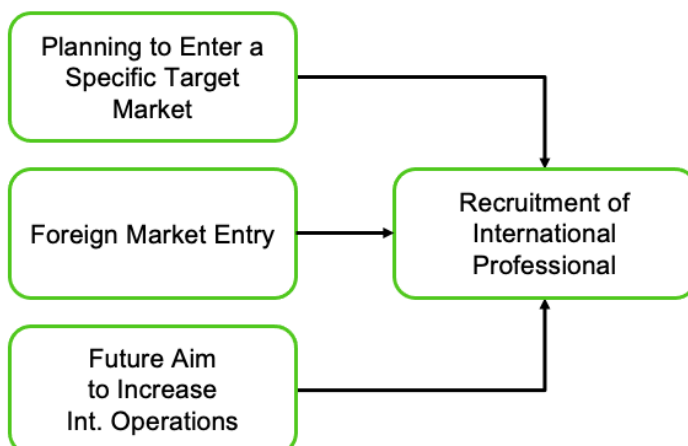


Figure 3 Reactive Internationalization

Benete is currently researching the market opportunities in Denmark and the Netherlands as its aim is to potentially have some business activities in both countries already during this year. The company CEO states that because Benete is planning to enter the market of Denmark, they are considering to recruit a Danish employee to their team. Bäckman's idea is to hire a Danish expert either to Finland or so that the person would be located in Denmark to handle the first steps forward directly on the spot. Bäckman highlights that international professionals can be beneficial resources when the aim is to enter foreign markets in a successful way. The Tech Talent Strategist of Finders Seekers on the other hand explicitly states that in case they will decide to enter the foreign market of Russia for instance, it is probable that they will recruit further Russian employees to their team in Finland. Hence, Grandell seems to have a similar notion with Bäckman as she also indicates that foreign market entry to Russia could in fact result in hiring more Russian experts to their Finnish office. Moreover, the CEO of Sowellus seems to be especially interested in recruiting foreign professionals from the international target markets because of the foreigners' beneficial local knowledge and networks as well as language skills. Indeed, now that the company has started to internationalize, the CEO Pohjola is planning to start recruiting foreign experts. Therefore, in the case of Sowellus, the initial steps towards firm internationalization can potentially lead to increased international workforce diversity.

According to the CEO Timonen, one of the biggest benefits of entering foreign markets for Adventure Club has been the opportunity to reach a significantly wider group of professionals. The company has entered such markets that have a number of design experts whereas it has been challenging to recruit design professionals from the Finnish recruitment market. Hence, through entering foreign countries, the firm has been able to reach and recruit desirable professionals from abroad. Therefore, the case of Adventure Club gives further support to the possibility that firm internationalization can in fact also have a positive effect on recruiting international professionals. Moreover, the CEO Timonen prospects that there will be an increasing need for further foreign experts in the future since the upcoming aim of Adventure Club is to serve customers around the world. He believes that being more international and operating on a larger scale will probably lead to more diverse challenges. Consequently, having even more nationalities onboard in the company could then be beneficial in solving the intercontinental problems.

Although in the literature, the connection is typically reversed, the empirical findings of this thesis gives novel research insights through suggesting that firm internationalization can in fact have a positive effect on recruiting international professionals. Especially start-up companies that are about to take the first steps towards internationalization highlight their plan to recruit foreign experts from the planned target markets prior to entering there. The three main recruitment basis of international professionals as a result of firm internationalization are summarized in the table below.

Table 16 Recruitment Basis of Foreign Experts as a Result of Firm Internationalization

Recruitment Basis of International Professionals
Local international professionals needed to enter the respective foreign target market
Increased employment opportunities of international professionals due to foreign market entry
International professionals needed to facilitate potentially more complex challenges of increased international operations

(Source: Interviews)

5.4 The Essential Role of Managers in Internal and External Internationalization

Although international workforce diversity and firm internationalization seem to be connected to each other in general, managers appear to have a critical role in both internal as well as external internationalization. Thus, it is important to discuss the managerial influences as part of this research. Indeed, Sambharya (1996) emphasizes that leaders have a significant influence on the future direction of their companies. Almeida et al. (2012) stress that company managers have a crucial role regarding the recruitment of international professionals while a substantial number of research underline that certain leadership characteristics have a positive effect on firm internationalization as well (Nummela et al., 2004). The CEO of Genelec supports these matters too through highlighting that company owners are the ones who have the power to decide what kind of firm they want to build.

However, possessing certain managerial features may not be sufficient but the managers need to be able to turn their capabilities into organization-wide competence in both internationalization concepts. The relationship is depicted in the flowchart below while the essential role of managers is explained and discussed more comprehensively in the following three subsections.

Key Role of Managers in Internal and External Internationalization

Managers' willingness and readiness have essential roles in (1) recruiting and leading international professionals as well as (2) managing firm internationalization. However, in both concepts, managers need to turn their international orientation and capabilities into organization-wide competence.



Figure 4 The Key Role of Managers in Internal and External Internationalization

5.4.1 Managers' Role in Recruiting and Leading International Professionals

According to the current research as well as the empirical findings of this study, some of the main barriers to recruitment of international professionals stem from the company managers. The literature emphasizes that the concepts of strong in-group and out-group dynamics, ethnocentrism and lateral rigidity of the leaders can act as potential hindrances to internal internationalization. Consequently, the case company representatives of this thesis underline that strong prejudices, lack of international experience and cultural competence as well as undesirable organizational changes are typically the main reasons why Finnish company managers can be reluctant to hire foreign experts.

Indeed, Almeida et al. (2012) highlight the centrality of the role that employers play in the recruitment process of professional migrants while Oreopoulos (2011) underlines that

discriminatory attitudes towards international applicants arise from the recruitment managers. Accordingly, the HR Manager Koski believes that at Sensible 4, the positive attitude towards international professionals stems mainly from the company's four founders, although they are all Finnish. She explains that internationality has always been present in the founders' personal lives and careers, which has led them to become very open towards foreign matters. Thus, they acknowledge that recruiting only Finnish employees is not the ideal way to move forward. Hence, the example of Sensible 4 showcases the significant role that managers have as the influencers of their companies' levels of international workforce diversity.

In order to prevent potential challenges of international workforce diversity, the CEO of Benete highlights the importance of managers to have a desire to understand and a genuine interest in other cultures. Accordingly, Mihaela (2014) underlines that cultural understanding is both an asset as well as a must, and it has to be the primary step when the aim of a company is to become more international. To lead an enterprise across different cultures, a successful manager has to balance with the national differences and similarities (Mihaela, 2014). Furthermore, Heidelberger (2005) stresses that successful international leaders understand and value cultural differences as well as leverage cultural diversity in the everyday work instead of putting it against the organizational success. When it comes to leading an internationally diverse workforce, like Bäckman from Benete and Koski from Sensible 4, the Senior Tech Talent Strategist of Finders Seekers also highlights the importance of cultural competence. As per Grandell, a good manager can adapt to different communicational habits and find a balance with different professionals.

Accordingly, the so-called cross-cultural leadership style systematically centers on supporting equivalence across different cultures in a multicultural pool of employees (Mihaela, 2014). According to Day (2007), instead of perceiving cultural differences as potential hazards, the cross-cultural leadership style acknowledges different cultural backgrounds as opportunities to improve the company through new perspectives. Similarly, Mihaela (2014) highlights that the leadership style can utilize inter-cultural dissimilarities as business opportunities. Very interestingly, several case company representatives of this study also underline both equality matters as well as the importance of relating to cultural diversity through recognizing it as a potential asset. Consequently, the CEO of Benete states that taking into account and giving space for cultural matters is important for international

leaders. As per him, it is essential not to suppress different cultural matters since that can lead to problems. Instead, the CEO Bäckman remarks that the goal is to perceive and appreciate cultural differences as enriching assets. Likewise, the Founder and CEO of Ai4Value emphasizes that a good leader acknowledges that employees do not all have to be similar since diversity is indeed what brings richness to the organization. Similarly, the HR professionals of FinVector and Sensible 4 as well as the CEO of Genelec all underline that a successful leader of an international team has a genuine interest in understanding cultural differences and treats each employee equally regardless of their nationalities.

Moreover, the HR Director Pirinen emphasizes the importance of guaranteeing that English is spoken in all forums, which also refers to the matter of inclusion. Similarly, the CEO of Genelec highlights that ensuring that a common language exists within the organization is the responsibility of a manager. Somewhat surprisingly, the current research regarding the role of managers in international workforce diversity does not stress the importance of ensuring the existence of a common language. Perhaps the underlining reason here is that somewhat significant number of academic articles of the topic have Anglo-Saxon origins. Nonetheless, the CEO of Genelec also underlines that trust building is extremely important especially when operating internationally in a remote environment. The CEO explains that when the leader does not physically sit with everyone on a daily basis, building trust and communicating honestly have even more critical roles. Everyone need to feel to be part of the same organization whereas no one shall feel that they are left outside, and the leader has a vital role in ensuring that. These issues seem to be well connected to the matter of inclusion, which is essential at any workplace with perhaps an increased importance in an internationally diverse environment.

Moreover, Day (2007) underlines that it is imperative for leaders to recognize and acknowledge that cultural differences can significantly influence how individuals with different ethnic or national backgrounds tend to approach the everyday professional life matters and business issues. However, the researcher explicitly states that these leaders acknowledge that their subordinates are representations of themselves rather than of their specific culture. This seems to suggest that the individual differences are not necessarily directly proportional to cultural differences. The notion is supported by several company representatives as well. Grandell from Finders Seekers underlines that people are different altogether. Likewise, the CEO of Medikro stresses that humane differences exist between

people even if they share the same cultural background. Similarly, the Group Manager of Vaadin emphasizes that a successful international leader comprehends that personalities and attitudes can be more related to individual level matters than to cultural backgrounds per se. Although certain behavioral manners and mindsets can well stem from an individual's cultural backgrounds, people who are from the same country can be very different compared to each other, which emphasizes the existence of individual differences. Therefore, a good international leader does not only consider the cultural background of the subordinates but can distinguish them as individuals.

To summarize, combining the findings from the current literature and empirical analysis, it seems that leaders of an internationally diverse workforce (1) possess an interest, understanding and competence towards different cultures, (2) support equivalence and inclusion across different cultural backgrounds (Mihaela, 2014), (3) perceive cultural differences as potential business opportunities (Mihaela, 2014) and enriching assets, and (4) finally, acknowledge that despite being from the same country and sharing similar cultural backgrounds, individual differences exist too. However, even though these managerial features are necessary, they might not be sufficient. Hence, there seems to be a difference between having the right attitudes and successfully enacting them. Thus, it seems to be important that the managers can turn their international orientation and capabilities into organization-wide competence to receive and include international professionals through ensuring that required policies and practices are in place for internal internationalization. This is for example done through ensuring that a common language is shared throughout the organization, as highlighted by the HR Director of FinVector in addition to many other company representatives. Another example is turning the values of the managers to those of the organization, such as equality at Vaadin and non-discrimination at Ai4Value. The following section focuses on the key managerial characteristics in external internationalization.

5.4.2 The Role of Managers in External Internationalization

Svård (1982) emphasizes that companies that aim to internationalize need to be led by top managers who have a desire to internationalize and who possess a mindset of moving from domestic to international. Top managers of an internationalizing firm need to develop favorable, positive and optimistic attitudes towards internationalization and foreign countries (Svård, 1982; Dichtl et al., 1984). Hence, Dichtl et al. (1984) highlight that

international and foreign orientation of the decision maker are essential in the process of firm internationalization because they are one of the key characteristics of internationalization incentives. Similarly, the CEO of Genelec highlights that a basic requirement for an internationalizing company manager is to have a genuine interest in and desire for building an international company. According to him, if the desire is to establish an international organization, it is very important that the operational managers have a shared mindset and will to actually do it. According to Hamidizadeh and Zargaranyazd (2014), managers' willingness and commitment to internationalization, or appreciation towards internationality, are substantial principles when determining a firms' internationalization readiness as well.

Consequently, Kobrin (1994) highlights that the ways how company managers perceive and view the world play a significant role in firm's abilities to become international and compete globally. Simmonds and Smith (1968) found that individuals who are not particularly loyal to their home country are more prone to start expanding overseas. Hence, according to them, a significant feature of an export inclined person is being indifferent of national boundaries regarding business and customers. The authors underline the mentality of perceiving customers as customers regardless of their home country, and thus not distinguishing nationalistic differences between foreign and home. This also refers to a global mindset that is described as the appreciation of the entire world as a single big marketplace (Nummela et al., 2004). The CEO of Genelec has an international background both through his personal as well as working life. Interestingly, he indeed possesses a global mindset through seeing the world without country borders and enjoying to work with people around the world. As per Nummela et al. (2004), a global mindset seems to be a substantial antecedent of a company's international performance on foreign markets. The mindset can have a critical role in exploring international business opportunities as well as in overall worldwide success of international companies (Felicio et al., 2012). Intriguingly, the CEO Naghian explicitly underlines very similar matters with the research.

According to several different authors, prominent international experience overseas is an important managerial motive, incentive and success factor to plausible foreign expansion (Dichtl et al., 1984; Reuber & Fischer, 1997; Hutchinson et al., 2006). Accordingly, possessing personal experience and experimental knowledge of overseas matters are some of the main ways to diminish uncertainty towards foreign markets (Luostarinen 1994;

Andersson & Florén, 2008). Hence, Madsen and Servais (1997) underline that international experiences can lead to increased intercultural competence, which can facilitate the development of professional capabilities to handle transnational business relations and conduct business in foreign environments (Lindbergh, 2005). Athanassiou and Nigh (2002) even emphasize that the more international business experiences the company managers have had during their careers, the more extensively internationalized their firms tend to be. Therefore, giving more power to internationally experienced managers is one of the ways how companies can respond to global competition (Sambharya, 1996). Interestingly, the CEO of Sowellus particularly highlights that being an international person who has traveled a lot and possibly worked abroad can be beneficial for a manager leading an internationalizing company. He believes that seeing the world and cultures broaden the horizons significantly. Here, the CEO of Pohjola actually seems to share the thought with the Executive Director of Genelec who also emphasizes that learning about different cultures can expand the horizons of an individual.

Svärd (1982) highlights that companies that aim to internationalize need to be led by top managers who understand the culture as well as the economic and political conditions of the host countries. Hence, since managers of internationally diversifying companies have to cope with foreign cultures as well as more complex and unknown environments (Sambharya, 1996), they need to have the ability to adjust to foreign cultures and circumstances as well as have knowledge of different countries (Svärd, 1982). Heidelberger (2005) justifiably emphasizes that one cannot simply assume and expect that the management principles that work at the home country would work the same way in a dissimilar culture. The Founder and CEO of Ai4Value supports Heidelberger's notion through highlighting that a manager of an internationalizing firm cannot presume that all business activities in the world function the same way as in Finland because the same rules and principles do not apply around the world. In addition to essential cultural sensitivity, the CEO Valli indicates that a manager leading firm internationalization is ready to and enjoys learning new things in a continuous manner. She points out that a successful leader is open to the likelihood that things do not work the same way as they are accustomed to, which indeed calls for the readiness to learn new. Besides the CEO Valli, the company representatives of Adventure Club, Genelec and Finders Seekers all underline the importance of foreign market understanding regarding the business practices as well as cultural skills for an internationalizing company manager.

Furthermore, another important managerial characteristic that can contribute to firm internationalization is foreign language proficiency (Dichtl et al., 1984). Hurmerinta et al. (2015) highlight that language skills of the decision-makers are related to international opportunity recognition and utilization regarding the countries where the language is spoken. Hence, they emphasize that linguistic knowledge can open new doors and lead towards international expansion to markets that share the same language with the managers. Consequently, Sui et al. (2015) recommends company leaders to actively improve their cultural knowledge and language skills according to the most promising overseas markets. Similarly, the CEO of Sowellus emphasizes the importance of language skills for an internationalizing company manager. He highlights that besides the international language of English, it is an absolute advantage to know other languages because it facilitates communication and understanding.

To summarize, combining the findings from the current literature and empirical analysis, it seems that leaders of an internationalization company possess a strong desire to internationalize, and are indifferent of national boundaries regarding business and customers (Simmonds & Smith, 1968), which also refers to having a global mindset through appreciating the whole world as a single big marketplace (Nummela et al., 2004). Furthermore, they possess international experiences, foreign market knowledge, cultural awareness as well as language skills. However, similar to internal internationalization, although necessary, the managerial characteristics may not be enough. Hence, it seems to be important that the leaders can enact and turn their international orientation and capabilities into organization-wide competence to enter and operate in foreign markets. For example, the global mindset of the managers need to be part of the organizational operations and culture, as has been highlighted in the case of Genelec.

5.4.3 Managers' Role in Connecting Internal and External Internationalization

Interestingly, it indeed seems that leaders can have a significant influence on both managing their companies towards firm internationalization as well as in recruiting and leading international professionals. Moreover, there seems to be a strong commonality in the managerial characteristics regarding both internationalization concepts. Positive international attitudes and commitment of the managers towards one of the two internationalization concepts are likely to be accompanied by the other concept as well. Both internal and external internationalization seem to be grounded in an international orientation

of the manager. The following section draws the main conclusions of the cross-case analysis and discussion above.

5.5 Conclusions

The preceding cross-case analysis aims to examine and compare internal and external internationalization across the selected case companies of this study. The analysis is also discussed in the light of the current research drawn from the literature review. Main conclusions are now presented and built from the former analysis and discussion. The figure 5 presented in the end of this section summarizes the fundamental key findings of this thesis.

Even though based on the analysis and discussion, there are some differences between the selected Finnish SMEs, several similarities emerged from the study. Therefore, with caution, the findings of this thesis can potentially be eligible for other Finnish SMEs as well when it comes to internal and external internationalization and their relationship between each other. Particularly the benefits of international professionals in firm internationalization, referring to the concept of proactive internationalization, seem to be very similar across all case companies. Several notions of international professionals' potential benefits in firm internationalization discussed in the literature review arose in the empirical analysis of this study too. The shared benefits stem from the international professionals' foreign market knowledge, cultural competence, language skills, international networks as well as innovativeness and creativity.

Interestingly, although in prior research, the connection is typically reversed, the empirical findings of this thesis provide novel insights through suggesting that firm internationalization can in fact also have a positive effect on recruiting international professionals. This refers to the concept of reactive internationalization in which firm internationalization works as a basis of recruiting foreign experts. There seem to be three different firm internationalization factors that can all lead to the recruitment of internationals. Firstly, planning to enter a specific target market can result in a need to hire local international professionals from the respective country in order to facilitate the market entry there. Secondly, entering foreign markets abroad can lead to increased employment opportunities of international professionals due to acquiring a wider recruitment market. Thirdly, a future aim to increase international operations further might result in a need to

recruit more international professionals to facilitate the more complex challenges of increased international operations.

Furthermore, the current literature as well as the empirical findings of this thesis both highlight the essential role of managers in internal and external internationalization. Successful leaders of an internationally diverse workforce seem to be culturally competent, support equivalence and inclusion across different cultural backgrounds, and perceive cultural differences as potential business opportunities. On the other hand, possessing international experiences, foreign market knowledge, cultural awareness, language skills and a global mindset in addition to having a strong desire to internationalize all seem to be essential characteristics of a firm internationalization manager. However, although the said managerial features are necessary in both internationalization concepts, they might not be sufficient. Therefore, it seems to be important that the managers can enact and turn their international orientation and capabilities into organization-wide competence (1) to receive and include international professionals and (2) to enter and operate in foreign markets, which is another important finding of this study. Consequently, there seems to be a strong commonality in the managerial characteristics regarding both internationalization concepts. Positive international attitudes and commitment of the managers towards one of the two internationalization concepts are likely to be accompanied by the other one as well. Hence, both internal and external internationalization seem to be grounded in managerial international orientation.

Moreover, besides the potential benefits of international professionals in firm internationalization as well as the potential prospects of firm internationalization leading to recruiting foreign experts, a few case companies of this study indicate mutual causality between the two concepts. Accordingly, in the cases of Adventure Club, Benete, Finders Seekers and Sowellus, it seems that international professionals can facilitate firm internationalization while firm internationalization can lead to the recruitment of international professionals. Therefore, yet another key finding of this thesis is that the two concepts seem to be mutually connected to each other. Indeed, in order to be internationally competitive, internal and external internationalization are both required. In more detail, the recruitment of international professionals can both precede and follow all four firm internationalization phases of (1) planning to enter a foreign market, (2) entering a foreign market, (3) the existing international operations, and (4) future aim to increase international

operations. Still, the essential role of company managers cannot be undermined in either concept since they indeed seem to be the core of both internal and external internationalization through turning their international orientation into the organizational internationalization competence. The causal relationship is depicted in the virtuous cycle below.



Figure 5 Mutual Causality Between International Professionals and Firm Internationalization

6. CONCLUSIONS AND IMPLICATIONS

This chapter summarizes the main results of this thesis through reviewing the key findings in the light of the research question and objective. Theoretical and managerial implications are also discussed in addition to acknowledging the limitations of the study. The chapter closes through providing suggestions for further research.

6.1 Summary

The purpose of this thesis was to investigate how international workforce diversity and firm internationalization are potentially connected to each other. In order to familiarize myself with the theoretical context of this study, I first reviewed relevant literature about the existing concepts and theories of current international business research. Following the literature review, I conducted a multiple case study of ten selected Finnish SMEs regarding the companies' internal and external internationalization. The multiple case study consists of interviewing a company representative from each case firm in addition to utilizing other relevant secondary data received from the companies or found on the internet.

The conceptual framework of this thesis was created through investigating prior research of firm internationalization, recruiting and leading international professionals as well as the managers' role in both concepts. In the light of the research question and objective of this study, existing theories and concepts were discussed throughout the literature review. After defining firm internationalization and reviewing the theory behind recruiting and leading international professionals, the potential relationship between international workforce diversity and firm internationalization was scrutinized.

The current research indeed suggests that companies can benefit of employing international professionals in firm internationalization. The potential benefits stem specifically from the foreign experts' valuable cultural competence, language skills, foreign market knowledge, international opportunity recognition, international networks, open attitude towards internationalization as well as innovativeness. These can all potentially lead to reduced entry barriers to and increased stimuli for firm internationalization (Mohr & Shoobridge, 2011). Yet, according to the current research, it seems that there is no explicit connection of firm internationalization on international workforce diversity. Still, the literature highlights the company managers' essential role in both concepts. Through reviewing earlier literature, I was able to develop an understanding of the important notions regarding internal as well as external internationalization, which was helpful when conducting the empirical study.

The empirical research of this thesis was based on a multiple case study of ten selected Finnish SMEs. Semi-structured interviews were utilized as the primary data collection method. I conducted altogether ten interviews, meaning one interview per case company.

All interviews were conducted online via virtual platforms. Moreover, essential information about the companies' internal and external internationalization levels were asked via e-mail prior to the interviews. Answers to some supplementary questions were received via e-mail after the interviews as well. Furthermore, in order to complement the primary data, secondary sources were utilized too. The secondary data included materials received directly from the case companies, such as a recruitment handout and a video, as well as sources found online, like company websites and online articles. The interviewees were all working at strategic positions regarding the companies' internal and/or external internationalization. The company representatives ranged from HR Directors to company CEOs.

Interestingly, although the potential effect of firm internationalization on international workforce diversity is vague in the literature since the research merely highlights the reversed relationship, the empirical findings of this thesis give novel insights on the potential connection. Consequently, there seems to be three different internationalization factors that can all lead to the recruitment of international professionals. These factors include (1) planning to enter a specific target market, (2) the actual foreign market entry, and (3) future aim to increase international operations. When it comes to the potential benefits of employing international professionals in firm internationalization, the empirical findings of this study are in line with the literature.

Moreover, both the current literature as well as the empirical chapters of this study highlight the importance of international orientation and capabilities of the company managers in both internationalization concepts. However, the characteristics may not be sufficient alone. Thus, it seems to be essential that the managers can enact and turn their international orientation and capabilities into the organization-wide competence to (1) to receive and include international professionals and (2) to enter and operate in foreign markets, which is another important research insight of this study.

When it comes to the research question of this thesis *"How are international workforce diversity and firm internationalization connected to each other?"*, a mutual connection between the two key concepts seems to exist. This is because the findings of this study give support to the notion that international professionals can have a positive effect on firm internationalization while firm internationalization can potentially result in the recruitment of foreign experts, and hence, increased international workforce diversity. Therefore, yet

another novel finding of this thesis is that the two concepts seem to be mutually connected to each other. In more detail, the recruitment of international professionals can both precede and follow all four firm internationalization phases of (1) planning to enter a foreign market, (2) entering a foreign market, (3) the existing international operations, and (4) future aim to increase international operations. Indeed, it seems that in order to be internationally competitive, internal and external internationalization are both required. Still, the company managers seem to have a core role in both internationalization concepts through turning their international orientation into the organizational internationalization competence.

6.2 Theoretical and Managerial Implications

This thesis has several theoretical implications. Firstly, the findings from the multiple case study analysis seems to suggest that firm internationalization can also lead to increased international workforce diversity although in the literature, the connection is typically reversed. Therefore, this thesis sheds new light on the possibility that different external internationalization factors can act as a basis for the recruitment of international professionals, which can also be referred to as reactive internationalization. Secondly, this thesis suggests that a mutual causality may exist between international professionals and firm internationalization. I have not been able to find earlier research that would confirm the potential relationship. Thirdly, this study emphasizes the importance of managers' ability to enact and turn their international orientation and capabilities into organization-wide competence to receive and include international professionals as well as to enter and operate in foreign markets. The said notion is rather vague in the previous studies that mostly focus on highlighting the important managerial characteristics without addressing the importance of being able to enact the features as part of the whole organization's competence. Furthermore, because it seemed that there is no overall or particular theoretical model that would fit the purposes of this study, it was advantageous to comprise several different viewpoints to the theoretical discussion. Hence, based on the current literature, I created a conceptual framework to be used as a basis for the empirical sections. Finally, this study provides suggestions for further research.

Aharoni (2011) stresses that IB research has ignored to study the managerial behavior, which has even led them to treat companies 'as black boxes' although the success of a firm is significantly influenced by the abilities and behavior of the company managers.

Accordingly, the managerial implications of this thesis are two-folded. Firstly, this study shows the importance of company leaders and managers in recruiting and leading international professionals as well as in the process of firm internationalization. When recruiting and leading international professionals, it is important that the leaders have a genuine interest, understanding and competence towards different cultures. Supporting equivalence and inclusion in the whole organization, perceiving cultural differences as potentially enriching assets in addition to acknowledging that individual differences exist are also essential for leaders of an internationally diverse workforce. Managers leading firm internationalization on the other hand need to first and foremost have a strong desire to internationalize. Possessing international experiences, foreign market knowledge, cultural awareness as well as language skills are also important for these managers. Furthermore, being indifferent of national boundaries regarding business and customers (Simmonds & Smith, 1968), which also refers to having a global mindset through appreciating the whole world as a single big marketplace (Nummela et al., 2004) seems to be advantageous characteristics of firm internationalization managers.

However, even though the said international orientation and capabilities are indeed important managerial features in both internationalization concepts, the features may not suffice alone. Thus, it seems to be essential that the managers can turn their international orientation and capabilities into organization-wide competence regarding both internal and external internationalization. In fact, there seems to be a strong commonality in the managerial features regarding both internationalization concepts. Positive international attitudes and commitment of the managers towards one of the two internationalization concepts are likely to be accompanied by the other one as well. Hence, both internal and external internationalization seem to be grounded in managerial international orientation. These notions indeed underline the essential role that managers play in internal and external internationalization.

Secondly, surprisingly many of the case company representatives highlight that the main thresholds that Finnish companies typically have when it comes to recruiting the first international professionals indeed stem from the company managers. This seems to highlight the critical role of company leaders even more. The main challenges of recruiting the first foreign experts seem to stem from language issues, unawareness of intercultural matters, undesired organizational changes, complicated residence and work permit processes as well

as prejudices towards international applicants. Some company managers may perceive it as easier to stick with the Finnish language and way of working, which results in recruiting Finnish candidates only. However, these executives fail to consider the potential benefits and advantages of foreign experts and the overall international workforce diversity.

6.3 Limitations of the Study

This thesis is prone to certain limitations specifically regarding the scope of the empirical study. Firstly, only ten different companies were studied for the purpose of this research, and only one company representative per each firm was interviewed for the thesis. Therefore, the sample of this research is relatively limited. As only one representative per each case company was interviewed, the information is heavily relied on them. Hence, more interviews from each case company should have been conducted in order to increase the reliability of the results. However, due to the time frame and scope of this thesis, I could only gather a limited amount of data and information from each firm. Additionally, the research context is rather narrow as it focuses only on certain selected Finnish SMEs headquartered in Finland. Thus, only one country and companies that share the same cultural background are the core of this study. Finally, it is essential to consider potential biases of the results. The possibility of biases was increased because only one researcher planned, conducted as well as interpreted the interviews alone. Moreover, the interpretations of the findings overall are only based on the researcher of this thesis. Hence, it is possible that another researcher would interpret the same findings differently.

6.4 Suggestions for Further Research

This study contributes to the academic research of SMEs' external and internal internationalization, specifically in the context of Finland. Along conducting the research, several issues stood out as a demand for further research. Firstly, all of the case companies of this thesis either already have internationally diverse workforce or they are planning to recruit international professionals in the near future. Therefore, it would be interesting to explore how successful a group of SMEs with fully Finnish teams are in external internationalization. Furthermore, the case companies of this study operate in very different industries and somewhat different target markets. Hence, another interesting line of research would be to investigate whether the internal and external internationalization have industry

or market specific features. Another suggestion for future research is to validate or expand the findings of this study for example with a quantitative method that allows to gather more data from increased number of companies.

Furthermore, this study indicates that Finnish SMEs can benefit from international professionals in firm internationalization due to their foreign market knowledge, cultural and language skills as well as international networks. Yet, it is not clear how the international talents actually share their knowledge and skills and how their competence transfers to the rest of the firm. Hence, another suggestion for further research would be to study the mechanisms of international professionals' knowledge sharing. Finally, when it comes to the role of company managers and leaders, Aharoni (2013) underlines the complexity of human behavior and remind that company directors are also residents of a specific country, which influences how they act. Indeed, the cultural differences are highlighted in this research as well, and hence, it would be interesting to investigate how the cultural background of the leaders impact their companies' internal and external internationalization.

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APPENDIX

A. INTERVIEW TEMPLATE WITH EXAMPLE QUESTIONS

INTRODUCTION

- Could you describe your own international experiences thus far?

RECRUITING INTERNATIONAL EMPLOYEES

- Based on what grounds do you recruit international employees?
- In what job roles / positions are (could) international employees (be) working in your company?
- What are (could be) the biggest benefits of having international employees in your company?
- What are (could be) the biggest challenges of having international employees in your company?
 - o What has helped/could help your company in overcoming those challenges?

ENTERING FOREIGN MARKETS

- What kind of resources does your company need in order to succeed in international markets?
- What are the biggest benefits of entering foreign markets for your company?
- What are the biggest challenges of entering foreign markets for your company?
 - o What has helped / could help your company in overcoming those challenges?

SERVING INTERNATIONAL CUSTOMERS AND COOPERATION PARTNERS

- How do you make sure that you understand the needs of your international customers and cooperation partners?

THE ROLE OF MANAGERS IN FIRM INTERNATIONALIZATION

- How would you describe a good and successful manager who has subordinates from different countries or an international team?
- What kind of special skills does a manager need when a company expands its international operations?

ATTITUDES, FUTURE PROSPECTS AND THE PROFILE OF THE TALENT BOOST METER

- What kind of attitude and atmosphere exists in your company and in its operational environment towards international talents?
- How do you see your company's international position and direction in the future?
- How well does the profile given by the Talent Boost survey match your company's current international position? Why?

CONCLUSION

- Do you have any further comments regarding these topics, which I have not realized to ask about?